

A Heist Turned Farce / Sudden Riches, Reckless Spending

This Gang of Thieves Needed a Mastermind

Sue Anne Pressley
Washington Post Staff Writer

CHARLLOTTE, North Carolina — The friends and neighbors of Steve and Michelle Chambers became suspicious soon after the news broke that an armored car company in nearby Charlotte had been relieved of \$17 million.

Here was the tip-off: Three weeks after the October 1997 heist, the blue-collar couple moved from a rural mobile home to a \$635,000 mansion in the swank, gated confines of Cramer Mountain, an exclusive community here about 15 miles (about 25 kilometers) east of Charlotte. But that was only the beginning. They also bought a BMW convertible, a \$10,000 pool table, a Rolex watch and a 3½-carat diamond ring worth \$43,000. Michelle made a beeline to a plastic surgeon for a set of breast implants, while Steve tossed out \$900 in tips on a single night out.

After the reckless spending spree, the couple's downfall was just a matter of time. Five months to be exact. And now, they and 17 others have been convicted and are awaiting sentences on an assortment of federal charges arising from the heist.

On Saturday, the contents of the Chambers' ill-gotten palace and equally frantic hays made by their accomplices are to be auctioned off by federal marshals. Items include a velvet portrait of Elvis Presley, a Harley-Davidson Road King motorcycle, several big-screen TVs and a painting that hung in the Chambers' new foyer: a hulking dressed as General George Patton, complete with riding crop.

In the annals of bold, wacky but almost successful crimes, of crooks with dumb luck and dumb follow-through, the Loomis Fargo & Co. heist will be long remembered among FBI agents and area residents who followed every unraveling detail. Besides being the second-highest bank robbery in U.S. history, it had an improbable cast of characters and a plot line that drew national attention — and lots of disbelief laughter.

But there also was a sinister, even sad edge beneath the antics. During their five months as millionaires, the robbers grew ever more paranoid and eventually turned on each other. Some of them plotted to kill another member of the gang. And in their desperate effort to stash the money, the Chambers enlisted the aid of their working-class parents and other former innocents to obtain safe-deposit boxes. Now, those older people, who never had been in legal trouble, are convicted felons.

"I think this case can be summed up as how a sudden influx of cash really fails to change a person's true character," said a Charlotte defense attorney, Monroe Whitesides, who related the tale in the current edition of *Charlotte* magazine under the headline, "White Trash Crime."

Mr. Whitesides, 39, entered the picture in January 1998 when he was contacted by a frightened client he identifies only as "Ken," a printing company co-worker of Eric Payne of Belmont, North Carolina, who would later be convicted as one of the robbers. With Mr. Payne, Ken, also known as Confidential Informant No. 2, hung out often at the Chambers' new mansion and ended up as a crucial source for the FBI.

Neither the FBI nor the U.S. Attorney's office has had much to say about the case, citing the coming sentencing and the fact that two final money-laundering defendants have yet to go to trial. That has left Mr. Whitesides and a licensed private investigator, Steve Hartness, 50, of Charlotte, who also is Ken's uncle, to provide the details. Little was revealed at trial, because all the defendants but one pleaded guilty.

The story began Oct. 4, 1997, when a Loomis Fargo vault supervisor, David Scott Ghanit, used a stick to prop open a vault door at the company's Charlotte depository. Mr. Whitesides said. Returning later that night, Mr. Ghanit began loading a



Kelly Campbell, front, followed by Michelle Chambers and Eric Payne leaving the U.S. courthouse in Charlotte, North Carolina, last year. The velvet Elvis portrait was acquired in the robbers' spending spree.



bank manager. "How much can I deposit without the bank reporting the transaction?" Mr. Whitesides said the man-ager, who couldn't help noticing that the money was still encased in Loomis Fargo wrappers, made an excuse to decline the deposit.

company van with cash, and soon made his first mistake. Although he removed the tapes from two security cameras, he failed at first to realize that 16 others were recording his every move.

Mr. Ghanit, now 39, was a tall, decorated Gulf War veteran whose early newspaper reports likened to Huckleberry Finn. He had never been in trouble with the law. But in addition to a wife, he also had a girlfriend, Kelly Campbell, who had previously worked at Loomis Fargo, and Mr. Campbell knew a small-time hustler named Steve Chambers. Together with a pair of other accomplices, the three had put together the scheme.

Later that night, Mr. Chambers and two partners worked feverishly in a nearby wooded area to unload the stacks of bills that Mr. Ghanit had piled into the Loomis Fargo van. They had to leave \$3.3 million behind, according to court documents, because they had not brought enough 55-gallon (208-liter) barrels to store the bills in.

While the others worked, Ms. Campbell drove Mr. Ghanit, who realized too late that he had been taped, to Columbia, South Carolina, to catch a plane to Mexico, only to learn that the airport did not offer international flights. Ms. Campbell then deposited him on a bus for Atlanta, and hurried back.

According to later news reports, Mr. Ghanit actually made it to Mexico and holed up in a resort hotel, where he spent his time smoking cigarettes and eating M&Ms.

MEANWHILE, back at the mansion, Mr. Chambers, 31, was acting the part of The Big Boss — and the biggest spender of them all. Ken was a witness to many of the gang's more flamboyant exploits. He was along when Mr. Chambers hired a chauffeured limousine to ferry the group to dinner at the modest Western Steak restaurant in nearby Gastonia.

At Crickler's Lounge, Mr. Ghanit looked on as Michelle and Steve got into a fight about her suggestive dancing; when the bouncer threw Steve out, he boasted he would come back and buy the club.

However, it was Michelle Chambers, now 26 and the mother of two small children, who reached new heights of indiscretion. A month after the robbery, she reportedly entered a Belmont bank with a suitcase stuffed with \$200,000 in cash and asked the

bank manager, "How much can I deposit without the bank reporting the transaction?" Mr. Whitesides said the man-ager, who couldn't help noticing that the money was still encased in Loomis Fargo wrappers, made an excuse to decline the deposit.

At home, Ken reported, Mr. Chambers stocked the wine cellar with Faust Blue Ribbon beer. Although he had bought the house fully furnished, he added plenty of personal touches, like the elephant figurines scattered everywhere for good luck. A stock of fine Cuban cigars worth \$20,000 was ruined, however, when he did not realize he had to put water in his expensive new humidifier.

In January 1998, about three months after the robbery, Mr. Chambers offered to pay Ken \$150,000 if Ken would smuggle \$2.5 million in cash to a bank account in the Cayman Islands, Mr. Whitesides said. That is when Ken, who was concerned about potential legal problems and his own safety, notified his uncle, who contacted the attorney. The three met with the FBI. Ken was outfitted with a \$16,000 digital recorder, Mr. Hartness said, and sent off to gather incriminating evidence.

By February of last year, Mr. Chambers was packing a pistol and hiring a bodyguard. As March approached, it was clear he had decided that Mr. Ghanit, still languishing in Mexico, was too dangerous to live; and besides, why continue to share the money with him?

Mr. Chambers discussed with his bodyguard, Mike McKinney, how best to smuggle a firearm into Mexico, according to court documents, and booked Mr. McKinney a flight. But by this time, the FBI had a line on Mr. Ghanit's whereabouts. Mr. Hartness said, having tapped a pay phone that, according to their surveillance, Ms. Campbell often used.

Near dawn on March 2, the big spree came to an end. Agents showed up at the Cramer Mountain mansion to arrest the Chamberses and Ms. Campbell. They went quietly. Mr. Ghanit was arrested in Playa del Carmel, Mexico, seeming almost relieved it was over, according to news reports. Other arrests soon followed, and the contents of nine safe-deposit boxes were seized.

For his trouble, Mr. Whitesides said, Ken received a "nice six-figure reward." Much of the stolen money was reclaimed or accounted for, said the FBI, except for about \$2 million that remains missing.

But this time, Mr. Whitesides wryly noted, "Nobody's talking."

France Can Extradite Killer Convicted in U.S.

By Craig R. Whitney
New York Times Service

BORDEAUX — Ira Einhorn, a former hippie convicted while on the lam of killing a Philadelphia woman 21 years ago, can be extradited to the United States for a new trial if he will not face the death penalty there, according to a French court ruling Thursday.

But Mr. Einhorn, 58, wearing a blue chambray shirt in the Court of Appeals on Thursday morning, remained a free man after the police bundled him out after the ruling. He said nothing before he left.

His French lawyers said they expected further appeals would enable him to stay on for at least two more years in Champagne-Mouron, the French village where, 16 years after his disappearance from Philadelphia, the police discovered him hiding out under a phony name in 1997 and arrested him.

He was later released but has to report to the authorities near where he lives twice a week.

Elisabeth Hall, a sister of Helen (Holly) Maddux, the murder victim, said after the verdict: "I'm not really afraid the way we used to be that he would flee and we wouldn't be able to find him, but I wouldn't be surprised if he made a run for it. He won't go very far for very long."

The decision reversed a ruling by the same court in December 1997, it learned. Mr. Einhorn's extradition then, because he would not have had the right to a new trial and would have had to begin serving the life sentence imposed on him in Pennsylvania in 1993.

The ruling by the three judges of the court said Thursday that they had reconsidered because Pennsylvania passed a law last year providing people convicted in their absence of crimes with the right to retrial if they demanded one when they returned.

This, plus legal assurances from American authorities that Mr. Einhorn would not face the death penalty because his crime was committed before Pennsylvania put capital punishment on the books in 1978, put him on substantially the same legal footing as a murder defendant would face in France, the judges ruled.

The judgment grants the U.S. extradition request provided, it says, that "Ira Einhorn in fact receives a fair new trial if he asks for one on returning to the State of Pennsylvania" and that "the death penalty will not be requested and, if pronounced, not carried out."

Since he had made no move to flee France even after his temporary arrest here, they decided, there was no need to imprison him again now.

"Mr. Einhorn is relieved because the decision leaves him a large degree of maneuver," one of his lawyers, Dominique Delteil, said after Judge Claude Arrighi read out the ruling.

"He would have preferred a decision that would have made unnecessary the appeals we are going to make now, to win the war after losing this battle," Mr. Delteil said.

Mr. Einhorn, something of a counter-culture guru in his Philadelphia days, jumped \$40,000 bail and disappeared in late 1980 or early 1981 as he was about



Ira Einhorn leaving the appeals court in Bordeaux on Thursday.

to go to trial for the 1977 murder of Miss Maddux, a Bryn Mawr alumna who had been his companion.

All he knew, he insisted, was that she had gone out shopping and never returned.

But a year and a half later, the police found her desiccated body stuffed into a steamer trunk in his apartment after neighbors complained about putrid odors and ceiling stains.

Recently, he has charged that the CIA or the KGB wanted to frame him because he had uncovered classified mind-control experiments.

UN Starts Drive To Wipe Out Most Blindness

The Associated Press

GENEVA — The United Nations renewed efforts Thursday against a range of visual disabilities, pledging to eliminate avoidable blindness around the world by the year 2020.

About 180 million people worldwide have less than one-third of normal vision, according to the World Health Organization. Between 40 million and 45 million of them are completely blind.

Cataracts, curable by surgery and accounting for almost half the world's blindness, are the prime target of WHO's "Vision 2020: The Right to Sight" initiative. About 20 million people are blind from the condition.

The UN agency identifies four other conditions, including trachoma and childhood blindness, as priorities. About 60 percent of the world's blind live in sub-Saharan Africa, India and China, according to WHO.

Under the plan, WHO will work with independent development organizations to redouble efforts against blindness, concentrating on disease prevention, training and transferring technology to developing countries.

"Up to 80 percent of the world's blindness is avoidable," said the World Health Organization's director-general, Gro Harlem Brundtland of Norway. "If either results from the conditions that could have been prevented or can be successfully treated with the sight restored."

Blindness is rising as the world's population swells and ages and could double by 2020 at the present rate, she added. Vision 2020 aims to double the amount independent organizations spend on blindness prevention, from \$80 million a year.

It concentrates on problems where "an affordable and feasible intervention" can prevent or cure the problem, said Bjorn Thylefors, the WHO director of disability prevention and rehabilitation. The annual loss caused by preventable blindness worldwide has been estimated at \$25 billion, he said.

Trachoma, a painful infection that has blinded 6 million people in the poorest countries, is the most widespread preventable disease to be targeted.

Photon Torpor: Physicists Make Light Slower

By Malcolm W. Browne
New York Times Service

NEW YORK — When light travels through empty space, it zips along at a speed of 186,171 miles a second — the highest speed anything can attain, even in principle. A moonbeam takes only a little over one second to reach Earth.

But a Danish physicist and her team of collaborators have found a way to slow light down to about 38 miles an hour (61 kilometers an hour).

The physics team, headed by Dr. Lene Vestergaard Hau, who works concurrently at the Rowland Institute for Science in Cambridge, Massachusetts, and at Harvard University, expects soon to slow the pace of light still further, to a glacial 120 feet an hour — about the speed of a tortoise.

"We're getting the speed of light so low we

can almost send a beam into the system, go for a cup of coffee and return in time to see the light come out," Dr. Hau said in an interview.

The achievement, by Dr. Hau, two Harvard graduate students and Dr. Steve Harris of Stanford University, was reported on Thursday in the journal *Nature*. Physicists said it had many potential uses, not only as a tool for studying a very peculiar state of matter but also in optical computers, high-speed switches, communications systems, television displays and night-vision devices.

One of the most desirable features of the apparatus that the researchers built for their work is that it does not transfer heat from the laser light it uses to the ultracold medium on which the light shines. This could have an important stabilizing effect on the functioning of optical computers, which operate using photons of light instead of conventional elec-

trons. A switch using the system could be made so sensitive that it could be turned on or off by a single photon of light, Dr. Hau said.

The medium Dr. Hau and her colleagues used in slowing light by a factor of 20 million was a cluster of atoms called a "Bose-Einstein condensate" chilled to a temperature of only fifty-billionths of a degree above absolute zero. (Absolute zero is the temperature at which nothing can be colder. It is minus 273.15 degrees on the centigrade scale, minus 459.67 on the Fahrenheit scale and zero on the Kelvin scale.)

Dr. Hau's group reached an ultralow temperature in stages, using lasers to slow the atoms in a confined gas and then evaporating away the warmest remaining atoms. The temperature they attained, one of the lowest ever reached in a laboratory, was far lower than anything in nature, including the depths of space.

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TRAVEL UPDATE

Newark Airport Is Worst for Delays

WASHINGTON (AP) — The airports in Newark, New Jersey, and San Francisco ranked first and second last year in flight delays. Newark International Airport had 31,924 delayed flights, or about 6.9 percent of its total traffic for 1998, according to Federal Aviation Administration data.

Moving to position No. 2 was San Francisco International, which had 29,409 delays, or 6.8 percent of its total. The airport was at No. 3 in 1997. Rounding out the five worst last year were O'Hare International in Chicago, Hartsfield International in Atlanta and LaGuardia Airport in New York.

Newark officials complained that they are paying the price for antiquated air traffic routing patterns that give preference to nearby LaGuardia and John F. Kennedy International. Federal and local officials are working on a plan to redesign the traffic patterns to better accommodate the traffic at Newark.

Snow Costs Swiss Tourism Industry

BERN (AP) — Chaos caused by heavy snowfall has led to losses estimated at more than 30 million Swiss francs (\$21 million) for the Swiss tourism industry so far this month, the industry newspaper reported Thursday.

Hotels, restaurants and ski resort operators found themselves cut off or without clients at the height of the winter sports season. The Hotel and Tourismus Revue noted. More snow fell on the Swiss Alps on Wednesday and Thursday.

Luxembourg, worried about weekend protests by Kurds and European Union farmers at home and in neighboring Belgium, temporarily closed its borders Thursday, reverting to passport checks for anyone entering the Grand Duchy. (AP)

Europe

	High	Low	High	Low
Algeria	19/26	11/22	20/26	10/22
Belgium	12/18	4/9	13/19	5/10
Bulgaria	12/18	4/9	13/19	5/10
Croatia	12/18	4/9	13/19	5/10
Czech Rep.	12/18	4/9	13/19	5/10
Denmark	12/18	4/9	13/19	5/10
Egypt	12/18	4/9	13/19	5/10
France	12/18	4/9	13/19	5/10
Germany	12/18	4/9	13/19	5/10
Greece	12/18	4/9	13/19	5/10
Hungary	12/18	4/9	13/19	5/10
Italy	12/18	4/9	13/19	5/10
Japan	12/18	4/9	13/19	5/10
Korea	12/18	4/9	13/19	5/10
Latvia	12/18	4/9	13/19	5/10
Lithuania	12/18	4/9	13/19	5/10
Malta	12/18	4/9	13/19	5/10
Netherlands	12/18	4/9	13/19	5/10
Norway	12/18	4/9	13/19	5/10
Poland	12/18	4/9	13/19	5/10
Portugal	12/18	4/9	13/19	5/10
Romania	12/18	4/9	13/19	5/10
Slovakia	12/18	4/9	13/19	5/10
Slovenia	12/18	4/9	13/19	5/10
Spain	12/18	4/9	13/19	5/10
Sweden	12/18	4/9	13/19	5/10
Switzerland	12/18	4/9	13/19	5/10
Turkey	12/18	4/9	13/19	5/10
Ukraine	12/18	4/9	13/19	5/10
United Kingdom	12/18	4/9	13/19	5/10
Yugoslavia	12/18	4/9	13/19	5/10

North America

	High	Low	High	Low
Alaska	12/18	4/9	13/19	5/10
Arizona	12/18	4/9	13/19	5/10
California	12/18	4/9	13/19	5/10
Colorado	12/18	4/9	13/19	5/10
Connecticut	12/18	4/9	13/19	5/10
Delaware	12/18	4/9	13/19	5/10
District of Columbia	12/18	4/9	13/19	5/10
Florida	12/18	4/9	13/19	5/10
Georgia	12/18	4/9	13/19	5/10
Hawaii	12/18	4/9	13/19	5/10
Idaho	12/18	4/9	13/19	5/10
Illinois	12/18	4/9	13/19	5/10
Indiana	12/18	4/9	13/19	5/10
Iowa	12/18	4/9	13/19	5/10
Kansas	12/18	4/9	13/19	5/10
Kentucky	12/18	4/9	13/19	5/10
Louisiana	12/18	4/9	13/19	5/10
Maine	12/18	4/9	13/19	5/10
Maryland	12/18	4/9	13/19	5/10
Massachusetts	12/18	4/9	13/19	5/10
Michigan	12/18	4/9	13/19	5/10
Minnesota	12/18	4/9	13/19	5/10
Mississippi	12/18	4/9	13/19	5/10
Missouri	12/18	4/9	13/19	5/10
Montana	12/18	4/9	13/19	5/10
Nebraska	12/18	4/9	13/19	5/10
Nevada	12/18	4/9	13/19	5/10
New Hampshire	12/18	4/9	13/19	5/10
New Jersey	12/18	4/9	13/19	5/10
New Mexico	12/18	4/9	13/19	5/10
New York	12/18	4/9	13/19	5/10
North Carolina	12/18	4/9	13/19	5/10
North Dakota	12/18	4/9	13/19	5/10
Ohio	12/18	4/9	13/19	5/10
Oklahoma	12/18	4/9	13/19	5/10
Oregon	12/18	4/9	13/19	5/10
Pennsylvania	12/18	4/9	13/19	5/10
Rhode Island	12/18	4/9	13/19	5/10
South Carolina	12/18	4/9	13/19	5/10
South Dakota	12/18	4/9	13/19	5/10
Tennessee	12/18	4/9	13/19	5/10
Texas	12/18	4/9	13/19	5/10
Vermont	12/18	4/9	13/19	5/10
Virginia	12/18	4/9	13/19	5/10
Washington	12/18	4/9	13/19	5/10
West Virginia	12/18	4/9	13/19	5/10
Wisconsin	12/18	4/9	13/19	5/10
Wyoming	12/18	4/9	13/19	5/10

Asia

	Unseasonably Warm		Heavy Rain		Heavy Snow
<p>Asia</p> <p>dry and mild Sunday; windy Tuesday; rain showers of rain Friday. A storm North Sea into Sunday and bringing along rain and snow Europe and Indonesia.</p> <p>Much cooler in Tokyo over the weekend, but mainly dry with some sun each day. Beijing will warm up again with lots of sun Saturday through Monday. Taipei to Hong Kong will be cool with the chance for some rain, but soaking rain will continue in southern and central China and northern</p>					

THE AMERICAS

To Some Republicans, Keeping Impeachment an Issue Is a Point of Honor

By Richard L. Berke
New York Times Service

WASHINGTON — As many Republicans struggle to move beyond impeachment, they find their party fractured by a hard reality: Many other Republicans, particularly conservatives, do not want to move beyond impeachment.

Those frustrated by months of polling that showed impeachment hurting Republicans' standing with the public hoped that President Bill Clinton's acquittal would give them an opportunity to change the subject. But a vocal minority is pressing forward, in as public a manner as possible, with the argument that Mr. Clinton should be held accountable for his conduct.

These Republicans do not think they are committing political suicide. Sooner or later, they contend, voters will punish Democrats for the Lewinsky scandal. They say that the president's poll ratings

have been artificially high and could fall once people put the impeachment saga in perspective, or if another scandal shakes the White House.

For example, the Senate majority leader, Trent Lott, has predicted that public sentiment could change dramatically as voters — hungry for politicians of moral character — reward Republicans in the 2000 elections for taking on Mr. Clinton.

Craig Shirley, a veteran conservative public relations operative, summed up the argument: "It would be horrible to run away from the Clinton scandals because you are giving up something that is important to the base of the Republican Party — and you're suggesting that we were somehow wrong in going after Clinton."

The Republicans' apparent impeachment albatross has delighted White House advisers, who vow to cast the Republican Party as controlled by extremists who are bent on prolonging the

impeachment ordeal. "There's an opportunity for a national message against the Republican Party," said Mark Penn, the president's pollster. "That it is too extreme, and its leadership is too far to the right. And that national message could have a lot of impact come 2000."

Mr. Penn scoffed at the notion advanced by Mr. Lott and others that Mr. Clinton's approval ratings might sag. "If you were a Martian and you came down and just read the polls, you would not know that the Monica Lewinsky scandal existed," he said, "because he was in good shape before, during and after because the public fundamentally separated this issue from his performance as president."

There are also many Republicans who fear that the ghost of impeachment could haunt and define the party. Many party leaders, including several governors, seem terrified that the Democrats could seize on the party's handling of impeachment to win back Congress.

Dave Carney, a longtime Republican strategist in New Hampshire, was almost testy in his advising party members to let go of impeachment.

"The Republicans who are fixated on this, these people need to get a life," he said. "I don't know what psychotherapy they need. But the country's moved beyond this. What about free trade? Crime in the streets? Kosovo? There are other issues out there."

Governor Edward Schafer of North Dakota, a Republican, put it this way: "I don't think you use it as a weapon. You don't say, 'Oh, there's a Democratic candidate and they're a member of the party that lied and cheated and then acquitted the perpetrator.' There's going to be an underlying issue of what the president did wrong. But we should point to the positive aspects of our candidates."

Yet a looming trouble spot as Republicans try to hold on to their control of Congress and regain the White House

in 2000 is not that voters will lash out at the party's candidates — but that the issue will make it much easier for Democrats to raise money and recruit prospects.

Governor Paul Cellucci of Massachusetts, a Republican, said his party had to be especially aggressive in countering the Democrats' recruitment drives. "For the Republican Party at the state level to succeed, I think we need a national message," he said. In 1998, he added, the party was "consumed with this impeachment thing; they weren't even out there advocating tax cuts."

Compounding the potential perils for Republicans is that even with Newt Gingrich gone as speaker, there are still Republicans in Congress at center stage who were vociferous proponents of impeachment, such as Representatives Tom DeLay of Texas, the majority whip, and Henry Hyde of Illinois, chairman of the Judiciary Committee.

Mr. DeLay's constituents, in fact, are

encouraging his continued attacks on Mr. Clinton. Next month he will be honored with the 1999 Political Courage Award at the Harris County Republican Party's Lincoln Day Dinner.

The drive to keep impeachment alive is also being fueled the most by politicians with the most conservative constituents.

Ed Brookover, who stepped down after the November elections as political director of the National Republican Congressional Committee, said his party faced a classic dilemma of whether to appeal to the outspoken conservatives whose support can be crucial in primaries — or whether to appeal to the broader, general electorate.

"There's always the constant argument inside the party, whether you play to the base or play to the middle," Mr. Brookover said. "A winning campaign figures out how to do both. But I don't know if we've yet landed on a winning way."



LENTEN RACE — Karen Crowe of Lawrence, Kansas, watching the flapjack in a copy of the annual race between Olney, England, and Liberal, Kansas.

AMERICAN TOPICS

Calvin Klein Billboard Ignites New Foray in the Culture Wars

Anyone who believes that the end of President Bill Clinton's impeachment trial also marked the end of America's "culture wars" should think again.

In New York, a dispute exploded this week over a huge Times Square billboard that was to have been unveiled Thursday. As previewed in newspapers, it was to show two small boys, wearing only boxers and briefs, romping happily on a couch. It meant to show children "smiling, laughing and just being themselves," said Robert Treifus, a spokesman for the advertiser, Calvin Klein.

Nor so, said representatives of several conservative groups, it was more like pedophile-friendly porn. "You can envision this photograph taken by accident, an innocent photo taken by a mom," said Robert Peters, president of Morality in Media. "But at Calvin Klein, nothing is innocent."

Amid the adverse reaction, the company pulled the ad campaign the night before it was to have been unveiled. That might ease the dilemma of Mayor Rudolph Giuliani, who has fought against porn shops and peep shows in New York but who said that the ad was protected by constitutional guarantees of free expression.

Meanwhile, at the offices of the state legislature in Annapolis, Maryland, a new painting of a discreetly posed male nude, his arm and knee carefully obscuring his mid-section, has been removed after employees complained. "We want all the controversy to take place in the committee rooms," said a building supervisor, and not in the hallways.

Short Takes

Americans are dining out more than ever, as their spreading waistlines confirm. Restaurant food accounted for 39 percent of U.S. meals bought in 1996, up from 26 percent in 1970, the Agriculture Department says in a new report. People have become more nutrition-conscious in general, and restaurant food has followed that trend. Still, it tends to be far less healthful than home-cooking: It contains too much fat and not enough calcium, fiber and iron.

The country's first self-salting bridges are being tested in western Pennsylvania. They use electronic sensors to check the weather and, in icy conditions, they automatically spray road surfaces with liquid magnesium chloride to prevent freezing. The price to equip three bridges with the European technology: \$550,000.

This year marks the 200th anniversary of the death of George Washington, and historians have mounted several commemorative shows in a bid to portray the first president's true character. An exhibition at Mount Vernon, his Virginia home, shows that he was a handsome man with a flirtatious side. A letter from a colonel's wife to her sister says Washington could "be downright impudent sometimes — such impudence, Fanny, as you and I like!" He also had a temper. The portraitist Gilbert Stuart remarked: "Had he been born in the forests, he would have been the fiercest man among the savage tribes."

Washington has long been the subject of myth. Most notable is the tale in which boy George tells his father he "cannot tell a lie" about who chopped down a cherry tree. That story is updated in a New Yorker cartoon on display at an exhibition in New York. The cartoon shows young Washington standing by a fallen tree, telling his father, "It all depends on how you define 'chop.'"

Brian Knowlton

Argentina Seeks to Halt Illegal Aliens

By Clifford Krauss
New York Times Service

BUENOS AIRES — With the economy slowing and street crime rising, President Carlos Saul Menem has introduced a series of bills to Congress to stem the flow of illegal immigration from Bolivia, Paraguay and Peru.

Congressional debate on the legislation has not yet begun, but the bills have already created tensions between Argentina and its poorer neighbors. And they have prompted criticism from the hierarchy of the Roman Catholic Church and human-rights groups that the government is unleashing a xenophobic campaign to make scapegoats out of poor, defenseless people.

But by raising an issue with widespread appeal, the ruling Justicialist Party may succeed in putting the opposition on the defensive in a presidential election year.

The debate over the bills also highlights the growing rate of migration of peasants and workers across borders throughout South America, raising a potentially potent and divisive issue not only in Argentina, but also in Chile, Uruguay and Venezuela.

The new laws would impose fines of up to \$500,000 on individuals or companies who employ illegal aliens. They would give the interior minister the power to deport any alien sentenced to more than two years in prison. Anyone arrested for helping foreigners enter the country illegally would be subject to prison sentences of 5 to 20 years.

Statistics about illegal immigration here are imprecise, and the government and private groups disagree on the dimensions of the problem.

But experts seem to agree that Argentina has recently seen an increase in the immigration of poor Bolivians.

'What they are trying to do is blame our social problems on the immigrants' — mostly peasants and the poor from other South American countries.

Paraguayans and Peruvians, a practice that started at least 30 years ago. Some analysts have estimated that up to 1 million Peruvians live outside Peru, mainly in the United States, Argentina and Chile.

According to the latest Argentine census figures, the number of Paraguayans here increased from 154,000 in 1960 to 250,000 in 1991. In that period, the number of Peruvians increased from 5,100 to 16,000.

Experts say the trend is accelerating as the regional economy slows in response to the East Asian and Brazilian financial crises.

In the northern provinces, migrants frequently do backbreaking work like picking cotton and strawberries. In the

cities they shine shoes and do other odd jobs. The alien migrants are rarely unionized, and they are generally paid much less than Argentines.

An opposition congressman, Juan Pablo Cafiero, has called the move to tighten immigration laws "a racist campaign." He added, "What they are trying to do is blame our social problems on the immigrants."

According to Mr. Cafiero, the 70,000 or so immigrants in the Buenos Aires metropolitan region make up less than 2 percent of the workforce, so they cannot be blamed for an unemployment rate that has risen slightly over the last month after decreasing under the previous year. He said 2.5 percent of those found guilty of crimes were foreigners.

In explaining the need for the new legislation, Hugo Franco, a senior official in charge of immigration control, said the government was merely interested in "protecting legal immigration and fighting illegality."

Officials said at least 60 percent of those arrested for petty crimes in Buenos Aires in recent months were foreigners. Critics contest that estimate and note that foreigners make up a much smaller percentage of the prison population.

Bolivia's president, Hugo Banzer, has publicly expressed concerns that the new proposals will generate anti-Bolivian feelings and asked for guarantees that the rights of Bolivian immigrants will be respected.

"We want Argentine authorities to prevent abuses and deportations," Mr. Banzer said.

Unions Make Political Activities a 2-Year Effort

By Frank Swoboda
Washington Post Service

MIAMI BEACH — Leaders of the AFL-CIO have approved spending \$46 million in keep political operatives in the field over the next two years in an attempt to win back Democratic control of the House of Representatives in the 2000 elections. The two-year effort will focus on 40 to 60 key congressional districts in about 20 states, union strategists said. The effort marks the first time the American Federation of Labor and Congress of Industrial Organizations has not disbanded its political operations after an election cycle.

Labor, which traditionally supports Democrats, will also aim to build up union support in California and six eastern and midwestern states that

also could prove pivotal to any Democratic presidential candidate.

"We're trying to keep our people mobilized and engaged for the year 2000," said Gerald McEntee, president of the million-member American Federation of State, County and Municipal Employees and the chairman of the federation's political committee. A cadre of paid activists in targeted congressional districts will concentrate on bringing union households to the polls by organizing get-out-the-vote efforts, setting up voter registration drives and running issue advocacy campaigns.

Republicans hold only a six-seat majority in the House, and labor officials meeting here at the annual midwinter meeting of the AFL-CIO Executive Council felt the momentum that helped Democrats win five seats

in 1998 would be lost if field personnel were pulled back. After previous elections, the political operations "would go flat on us" and a year later labor would have to rebuild, Mr. McEntee said.

The House minority leader, Richard Gephardt, Democrat of Missouri, who recently decided to forgo a presidential race in order to concentrate on winning back Democratic control in the House, endorsed the plan after meeting for nearly an hour with the council. Mr. Gephardt, who probably would become speaker if Democrats win the House, said past get-out-the-vote efforts have come much too late in the campaign cycle. "The get-out-the-vote effort needs to be the whole two years," he said.

Mr. McEntee said labor's goal is to duplicate its effort in California last

year, when unions beat back a ballot initiative to restrict labor's political spending and helped elect Democratic Governor Gray Davis.

AFL-CIO officials came up with the idea of the two-year, election-cycle budget during a retreat last month that focused on the 2000 election.

By keeping their political activists fully mobilized throughout the two years, the leadership said, labor also would be in a better position to help rally opposition to any effort to cut Social Security benefits.

Although AFL-CIO officials would not give an official estimate of the size of the new two-year budget for its political operations, officials familiar with the spending plan said it would be roughly double the \$21.5 million the federation spent in the 1998 elections.

Clinton Won't Contest Judge

By Peter Baker
Washington Post Service

WASHINGTON — President Bill Clinton will not ask a federal judge, who is considering whether to find him in contempt of court, to step aside because she spoke with the prosecution team during his impeachment trial in the Senate, according to sources informed about the decision.

Mr. Clinton's attorney, Robert Bennett, filed a short document on Wednesday with the court in Little Rock, Arkansas, informing U.S. District Judge Susan Webber Wright that he would not seek her recusal.

The move permits Judge Wright to conduct an inquiry into whether President Clinton should face civil sanctions for giving misleading testimony about his affair with Monica Lewinsky, which he gave in the Paula Jones sexual assault lawsuit against Mr. Clinton.

On Tuesday, Judge Wright told Mr. Ben-

nett and other attorneys involved in the Jones case that she would explore a contempt citation against Mr. Clinton now that his impeachment trial was over. That could lead to a full hearing about whether he was being completely truthful when he denied during a Jan. 17, 1998, deposition that he had never had sexual relations with Ms. Lewinsky.

Representative Asa Hutchinson, Republican of Arkansas, called Judge Wright last month asking her to testify at the impeachment trial. The judge refused but allowed her clerk to file an affidavit about Mr. Clinton's deposition during his deposition.

In deciding not to challenge Judge Wright, the Clinton legal team opted to take its chances with a known quantity.

Although she has already telegraphed her predisposition by raising the contempt issue, without being asked, Judge Wright has ruled in Mr. Clinton's favor in the past, including her dismissal of the Jones suit last April because she found it lacked legal merit.

Shots Kill Ecuador Leftist

Reuters

QUITO, Ecuador — Gunmen shot and killed a leftist Ecuadorian legislator, his nephew and a bodyguard moments after the three walked out of Congress.

Congressman Jaime Hurtado, a member of the opposition Popular Democratic Movement, and the two others were gunned down Wednesday 100 meters from Congress in the center of the capital, Quito.

Interior Minister Vladimir Alvarez condemned the attack and rejected an accusation by a Popular Demo-

cratic Movement official that the government of President Jamil Mahuad was behind the killing of Mr. Hurtado, who was a staunch opponent.

"We aren't going to respond to that type of accusation made under the influence of emotion," Mr. Alvarez said. "This isn't a case that just affects Jaime's fellow party members, it affects the whole country."

Luis Villacis, a member of the Popular Democratic Movement, said earlier, "This government isn't just starving us to death, it's murdering our leaders."

The three gunmen ran off and escaped in the crowd, the police said. Mr. Hurtado, 52, and his nephew lived long enough to be taken to a hospital before dying of their wounds.

Mr. Hurtado had close links to the unions involved in strikes and other protests against the austere economic policies of Mr. Mahuad.

Quito is undergoing an increase in violent crime. More than 60 percent of the Andean nation's 12 million inhabitants live below the poverty line, according to official data.

Away From Politics

• Operators of 1,000 older Boeing 727s must inspect aircraft skin joints for fatigue cracking and make any necessary repairs, the Federal Aviation Administration ordered. (AP)

• Eleven Western states with a high incidence of hepatitis A have been urged to require that children be vaccinated. (AP)

• Maryland's highest court overturned a ruling giving a woman who admitted killing her infant daughter custody of her son. A lower court was told to determine whether the boy was in danger of abuse if sent to his mother. (AP)

• A shopkeeper whose store has been picketed since he displayed a poster of the late Vietnamese leader, Ho Chi Minh, has been ordered by his landlord in Westminster, California, to move out or face legal action over insurance issues. (AP)

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POLITICAL NOTES

Senator Smith Launches Bid

WOLFEBORO, New Hampshire — Senator Bob Smith of New Hampshire says he stands with the little guy, paying no attention to pundits and pollsters. As he announced Thursday that he was seeking the Republican presidential nomination he promised, "It's not going to be a campaign for the faint of heart."

In remarks prepared for the announcement at Kingswood Regional High School, where he once taught civics, he mentioned two ships — the Mayflower and the Titanic — to describe his vision for the nation. The Pilgrims on the Mayflower followed their compass and founded a new nation, he said, while the Titanic crew went off course, hit an iceberg and sank.

"I am asking all of you to join me today to chart the right course for America and sail safely into the 21st century with a commitment to keep America strong and free for millions yet unborn," he said. "We have the charts — the Constitution, the Declaration of Independence and the Holy Bible. We need a captain and a crew who will read those charts, and steer us past the sea of icebergs that threaten our God-given rights." (AP)

New Gas and Emission Rules

WASHINGTON — The Environmental Protection Agency has decided to propose a set of tough new rules that would require light trucks and sport-utility vehicles for the first time to meet the same stringent emission standards as cars, according to sources who have been briefed on the plan.

The proposed rules would also require oil companies to produce cleaner gasoline. The new rules, which would take effect in 2004, are designed to create huge improvements in air quality, according to environmentalists. Cleaner gasoline alone should be the equivalent of taking 54 million cars off the road, said William Becker, executive director of a national association of state and local air pollution officials. The EPA proposals, if adopted, could also reduce acid rain and diminish the amounts of harmful toxins and particulates in the air. (WP)

Quote/Unquote

Mayor Rudolph Giuliani of New York City on the possibility of a campaign against Hillary Rodham Clinton for a U.S. Senate seat in New York: "The idea of a race like this is kind of intriguing. I mean, it would be a very important race nationally. It would contrast two very different philosophies of governing, and it'd be an interesting race." (NYT)

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ASIA/PACIFIC

Rebels Abduct Filipino General

The Associated Press
ZAMBOANGA, Philippines — Communist rebels have abducted an army general and one of his officers in the southern Philippines, the military said Thursday.
 Brigadier General Victor Obillo, 54, is the highest-ranking military officer seized by the rebels during their 30-year insurgency.
 General Obillo, commander of the 55th Engineering Brigade, and his logistics chief, Captain Eduardo Montealto, were seized Wednesday morning after their pickup truck was flagged down by New People's Army guerrillas in a village in the Baguio district of Davao City, a military report said.
 A corporal who was driving the truck and a civilian who was traveling with the general were released, said Lieutenant Colonel Horacio Lapina, a spokesman for the military's Southern Command.

In a statement, the rebel Marikina Arce Command said the two officers were arrested "while they were conducting anti-revolutionary activities through counter-insurgency operations" in rebel territory.

"The two officials will undergo investigation based on our revolutionary justice," the statement said. The rebels promised that their captives would be "accorded all the formalities as prisoners of war."
 In Manila, Defense Secretary Orlando Mercado said the rebels indicated they may ask for a prisoner exchange, but "nothing is firming up."

"Obillo is a noncombatant," he said. "The guy is doing public service there. He is repairing roads, repairing bridges. This is really crazy." Colonel Lapina said General Obillo was inspecting government road and bridge projects on the outskirts of Davao, 960 kilometers (600 miles) southeast of Manila.



ANWAR AT HOSPITAL — Anwar Ibrahim, the ousted Malaysian minister who is on trial, arriving at a hospital Thursday for treatment of tooth pain.

In Pakistani Court, True Love Beats Arranged Marriage

The Associated Press
LAHORE, Pakistan — A couple who married for love against the wishes of the woman's influential father was exonerated on an adultery charge Thursday by a Pakistani court.
 The couple, Humeira and Mahmood Butt, were arrested in the southern port city of Karachi last month as they prepared to board a plane to the United States.
 Mrs. Butt, 28, had been charged with adultery by her parents, who opposed her marriage to Mr. Butt.
 Mr. Butt, a Pakistani businessman based in the United States, had been additionally charged with kidnapping. He was exonerated on that charge as well.

Mrs. Butt's parents said their daughter was already married to one of her cousins. Mrs. Butt insisted the marriage ceremony was a sham that she was forced into by her father.
 On Thursday, the Lahore High Court agreed with Mrs. Butt and ordered the authorities to return the couple's passports, court officials said.

The couple is now free to leave Pakistan. The court also punished the police officer who arrested the couple at Jinnah International Airport in Karachi. The officer was suspended, fined the equivalent of \$108 and

Indian Official Plays Up Summit With Pakistan

Agence France-Presse
NEW DELHI — The meeting between the prime ministers of India and Pakistan this weekend will be the "most historic engagement" between the two countries since their 1972 peace pact, Foreign Minister Jaswant Singh of India said Thursday.

Prime Minister Atal Behari Vajpayee is to hold talks with his Pakistani counterpart, Nawaz Sharif, in Lahore on Saturday and Sunday after traveling to Pakistan on the inaugural run of a cross-border bus service.

He will be the first Indian prime minister to visit Pakistan in 10 years.

"It is our view that this is the most historic engagement between the two countries after the Simla Agreement," Mr. Singh said, referring to the 1972 accord signed after the 1971 war.

Mr. Singh said nuclear issues would be on the agenda, but rejected suggestions that the leaders had been brought together by U.S. pressure. The countries came under U.S. sanctions after conducting nuclear tests last year.

The couple was secretly married in 1997. Their problems began when Mrs. Butt's father, Abbas Khokhar, a powerful lawmaker in Punjab's provincial parliament and a member of the governing Pakistan Muslim League, learned of the marriage.

Pakistan law does not bar adults from marrying a person of their own choice. But in conservative feudal and tribal systems, which dominate most areas of the country, women are sometimes killed for marrying against the wishes of their parents. Most women in such areas are married at a young age to men selected by their parents.

BRIEFLY

Troops Quell Riot in Indonesia

JAKARTA — Indonesian troops fired warning shots Thursday to break up a riot by villagers armed with machetes and gasoline bombs in a region that has been plagued by religious violence.
 Violence erupted after Muslims attacked Protestants in a village in Maluku province. Police said they did not know how many people were injured.
 Fighting between Christians and Muslims in Maluku last weekend left as many as 23 people dead. (AP)

Taiwan Minister Visits Vatican

TAIPEI — The foreign minister of Taiwan, Jasoo Hu, began a three-day visit to the Vatican on Thursday, the state-run Central News Agency said. The trip's purpose was to cement ties with the Vatican, the agency said, before a scheduled March visit to Europe by President Jiang Zemin of China.

The Vatican has had ties with Taiwan since 1949, when the Nationalist government was driven off the Chinese mainland by Mao Zedong's communist forces. (Reuters)

Indian Women Gain a Victory

NEW DELHI — India's Supreme Court on Thursday gave women the same rights as men to act as natural guardians of a minor. Two archaic laws, one dating back to the last century, refused to recognize mothers as natural guardians if their husbands were alive. (AP)

Burma Criticizes Its Exclusion

RANGOON — A commentary in Burma's state press on Thursday accused members of the European Union of behaving like neo-colonialists in opposing the country's participation in a ministerial meeting next month because of the country's human rights record. (Reuters)



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Obscure Islam

More than 1.2 billion Muslims live in 100 countries. The world's fastest growing religion is spreading rapidly. The Islamic faith is the world's second largest religion, with 1.2 billion followers. It is the fastest growing religion in the world, with an estimated 1.2 billion followers. The Islamic faith is the world's second largest religion, with 1.2 billion followers. It is the fastest growing religion in the world, with an estimated 1.2 billion followers.

No Kosovo Air

Beltsin Warns

Beltsin, the head of the Russian Ministry of Defense, has warned that the Russian military is prepared to use force to protect its interests in Kosovo. He said that the Russian military is prepared to use force to protect its interests in Kosovo. He said that the Russian military is prepared to use force to protect its interests in Kosovo.

Basics in Prague

Obs. Citing Security

Prague, Czech Republic. The Czech Republic is a country in Central Europe. It is a member of the European Union and the North Atlantic Treaty Organization. The Czech Republic is a country in Central Europe. It is a member of the European Union and the North Atlantic Treaty Organization.

Train Crash in Bavaria

Claims at Least 2 Lives

A train crash in Bavaria, Germany, has resulted in at least two deaths and several injuries. The train was traveling from Munich to Frankfurt when it derailed. The crash occurred near the town of Regensburg. The train was carrying passengers and cargo.

Brussels to Face Farmer

Brussels, Belgium. The European Commission is facing a challenge from farmers in Belgium. The farmers are demanding that the Commission take action to protect their interests. The Commission is facing a challenge from farmers in Belgium. The farmers are demanding that the Commission take action to protect their interests.

European Court Assails

The European Court of Justice has issued a ruling that assails the decision of the European Commission. The ruling is a significant victory for the farmers. The European Court of Justice has issued a ruling that assails the decision of the European Commission. The ruling is a significant victory for the farmers.

EUROPE

Obscure Island Prison Is Placed in the Spotlight of Ocalan Drama

By Stephen Kinzer
New York Times Service

ISTANBUL — Turks turned their eyes on Thursday toward a small island in the Sea of Marmara where the country's most hated man is being held prisoner.

The island, called Imrali, was until Tuesday a largely unknown place. The main building there serves as an open prison to which pickpockets and other petty criminals are sent to serve sentences under the loose vigilance of friendly guards.

All of that has now changed. On Tuesday, the principal Kurdish guerrilla leader, Abdullah Ocalan, was taken to Imrali. He had been living clandestinely in Kenya under the protection of Greek diplomats until he was seized by Turkish commandos in a spectacular operation

Monday night. Other prisoners who had been living on Imrali were quickly moved to other prisons, places where there are no sea breezes and no views of passing freighters.

Mr. Ocalan, 51, was placed in an isolation cell.

Naval patrol boats have been deployed around Imrali, which lies 56 kilometers (35 miles) southwest of Istanbul. Military helicopters patrolled in wide circles overhead.

Prosecutors arrived on the island Thursday morning to begin their interrogation of Mr. Ocalan. "It can continue for at most seven days," Prime Minister Bulent Ecevit told an interviewer in Ankara. "but I'm sure the questioning may end before that time."

Mr. Ocalan is likely to be tried for treason and other crimes that carry the death sentence.

There have been no executions in Turkey since 1984.

Officials of the Justice Ministry said Mr. Ocalan's first hearing before a judge could come in the next two weeks, though his trial will probably not begin for several months. They said all judicial proceedings would be held at Imrali.

Television stations showed footage of Mr. Ocalan at Imrali on Thursday. He was standing before two Turkish flags, and at one point complained about the bright television lights being shined at him.

As Mr. Ocalan was undergoing his first interrogation, Turkey pressed its fight against Kurdish nationalists' on military and political fronts.

A spokesman for the Turkish Army said soldiers killed five members of Mr. Ocalan's rebel force near the eastern town of Tunceli.

"The terrorists are in a state of panic

and don't know what to do," the spokesman said. Soldiers also struck guerrilla sanctuaries in northern Iraq.

Several thousand of them entered Iraqi territory on Wednesday, and on Thursday they pounded targets there with missiles fired from American-made Cobra attack helicopters.

Turkish police raided offices of the legal People's Democracy Party, which is mainly Kurdish, and homes of party members in Istanbul and eastern provinces. According to human rights advocates, several hundred people were arrested. Prosecutors are seeking to ban the party on charges that it functions as an arm of the guerrilla movement.

Other Kurds were arrested in Istanbul after a night of disturbances in several neighborhoods, during which windows were smashed, firebombs thrown and cars attacked.

News reports from Kenya on Thursday suggested that the American and Israeli secret services had helped Turkish agents capture Mr. Ocalan.

The United States has denied direct involvement and Israeli officials said they were not involved in any way.

"There was no Israeli role whatsoever," said Eli Shaked, the Israeli consul in Istanbul. "Unfortunately this has not been clear to some people."

The European Court of Human Rights in Strasbourg reported that it had received a complaint from Mr. Ocalan's lawyers charging that the Turkish authorities were violating his rights to be tried fairly and protected from torture. It said the lawyers had asked the court to take "emergency steps" to protect him, but gave no indication of whether it would seek to do so.

At the same time, a pro-Ocalan group

called the Kurdish Parliament in exile urged Western countries to create an international court to try him, rather than allowing Turkey to do so.

At a news conference in Brussels, a leader of the group, Zuber Aydar, also called for "an international conference, including Kurdish representatives, to discuss the Kurdish question, just as they have set up an international conference to resolve the Kosovo question."

Turkish officials rejected these and other suggestions that an established or new international body should take a role in judging Mr. Ocalan or dealing with the situation of Kurds in Turkey.

"I do not see what more can be done," Foreign Minister Ismail Cem said. "Turkey has as developed a legal system as any other Western country. We intend to act according to our present prosecution system."

No Kosovo Air Strikes, Yeltsin Warns NATO

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin on Thursday vowed not to permit the use of force by NATO warplanes if the Kosovo peace talks fail.

Mr. Yeltsin said he had conveyed his warning in writing and by telephone to President Bill Clinton, but the White House said it had not communicated with the Kremlin recently.

Mr. Yeltsin, making a rare public appearance for a one-day Kremlin meeting with leaders of the European Union, was asked to comment on U.S. plans to move 51 additional warplanes to Europe for possible air strikes against Serbian forces if the plan for a peacekeeping force in Kosovo was not accepted by Saturday.

"I gave my opinion, both in writing and on the phone to Clinton, that it won't work," Mr. Yeltsin said. "This is all. This is our whole reply. We will not allow Kosovo to be touched." He did

not say how Russia might respond.

But soon after the ailing Russian leader spoke, the White House cast doubt on his statement that he had been in touch with Mr. Clinton.

"The Russian position is long held," said a White House spokesman, P.J. Crowley. "What is confusing us is there has not been a telephone call or written communication between the two presidents in recent days."

Another White House spokesman, Joe Lockhart, said that the United States had worked closely with Russia on the Kosovo conflict but that "we reserve the right to act in NATO's self-interest if that's necessary. And we will if we don't get the conclusion we need at the peace talks."

Such a discrepancy about a high-level communication between Moscow and Washington is unusual. Russian officials offered no clarification of the remarks by Mr. Yeltsin, who has been recovering from a bleeding ulcer.

His spokesman, Dmitri Yakushkin, said Mr. Yeltsin later reiterated to the European Union leaders "the thoughts that he had expressed in the message to Bill Clinton that he mentioned in front of the journalists."

Russia has long expressed support for the Yugoslav president, Slobodan Milosevic, and has repeatedly warned against the use of force in Kosovo, the predominantly ethnically Albanian province where rebels are battling for independence from Serbia.

Mr. Milosevic has resisted a six-nation plan to insert 28,000 North Atlantic Treaty Organization peacekeepers into the province, including 4,000 U.S. troops pledged by Mr. Clinton.

The negotiations between Yugoslavia and the Kosovo fighters were continuing in Rambouillet, France, under the mediation of the six-nation Contact Group made up of the United States, Russia, France, Britain, Germany and Italy.

Alexander Lebed, the former Russian general and now governor of Krasnodar, said the military buildup in advance of Saturday's deadline "is the cost of the unipolar world."

He added, "When a superpower behaves like a drunk brawler in a kindergarten, the result is pitiful."

In a separate meeting on Thursday with the Russian foreign minister, Igor Ivanov, the German foreign minister, Joschka Fischer, said Mr. Milosevic was "a catastrophe for his country" and was making it difficult to reach a solution that would keep Kosovo a part of Yugoslavia.

If Mr. Milosevic continues on his present course, he added, "In the long run this will bring about a secession of Kosovo."

If Kosovo is not given some autonomy now under international control, he added, a "bloody war" is likely and "Kosovo will most certainly break away from Yugoslavia. Whether the West likes it or not, it won't matter any more. But the question is how many victims it will take."

Mr. Ivanov said that if a peace deal was struck in the Kosovo negotiations, Russia would consider contributing to a peacekeeping force. If the talks fail, he said, the only alternative was for another meeting of the Contact Group to look for a political settlement.

"There can be no other way of settlement in Kosovo," he said.



President Boris Yeltsin stressing a point at a Kremlin meeting Thursday with Chancellor Gerhard Schröder.

Yeltsin, at Work, Meets Schroeder and EU Chief

The Associated Press

MOSCOW — President Boris Yeltsin came out of seclusion to greet the visiting German chancellor and the top European Union official Thursday, but the talks produced no agreements and no new aid was discussed.

"Russia and the European Union are strategic partners," Mr. Yeltsin told his guests in the Kremlin's Catherine Hall. "Regrettably, we aren't a member of the European Union, but we have partner relations helping us to cooperate more closely."

Chancellor Gerhard Schröder, who holds the rotating EU presidency, and Jacques Santer, head of the European Union's Executive Commission, used the meeting to get an inside view

of the Kremlin's strategy of dealing with Russia's economic crisis.

Mr. Yeltsin, 68, has suffered from a host of illnesses and continues to spend most of his time at a residence in a forest outside Moscow.

During the meeting Thursday, Mr. Yeltsin spoke loudly and clearly, and appeared to be recovering.

Mr. Yeltsin, Mr. Schröder and Mr. Santer discussed a "partnership" with the EU, calling it a "fundamental factor of peace and stability on the European continent."

They specifically discussed projects to build a new natural gas pipeline and modernize several key highways linking Russia with Europe.

Embassies in Prague Close, Citing Security

Compiled by Our Staff From Dispatches

PRAGUE — The United States Embassy, the British Embassy and the American Center in Prague were closed to the public Thursday for unspecified security reasons.

The Czech news agency CTK said the closures were the result of an Iraqi terrorist threat.

Police stepped up their guard of the embassies and the Prague headquarters of Radio Free Europe/Radio Liberty, which broadcasts programs aimed at listeners in Iraq and Iran.

Several embassies in Prague including those of the United States, Israel, Turkey and Greece have demanded extra protection this week because of Kurdish protests following the capture of the Kurdish rebel leader, Abdullah Ocalan. (AP, AFP)

Train Crash in Bavaria Claims at Least 2 Lives

Reuters

IMMENSTADT, Germany — Two passengers were killed and 22 others were injured when two trains collided in southern Germany on Thursday, Germany's state railroad said.

The collision occurred when the last two cars of an express train went off the rails and hit a regional train traveling in the opposite direction at 11 A.M. at the approach to the Bavarian town of Immenstadt, the railroad said.

A woman was pulled dead from the wreckage, and a male passenger died later in a hospital. At least eight people were reported to be seriously injured.

Local police said the express train was traveling from Oberstdorf, close to the Austrian border, to the industrial city of Dortmund in northwestern Germany.

The state railroad came under increased scrutiny last year, when 101 people died in a crash in Eschede, it was Germany's worst postwar rail disaster.

Innuendo Revives Swiss Guard Case

By Alessandra Stanley
New York Times Service

ROME — When the Vatican last week closed its investigation into the killing of the commander of the Swiss Guards by one of his junior officers, it hoped the concluding report would finally set the scandal to rest.

It didn't. The grieving relatives of the slain Swiss Guard commander, Alois Estermann, and his wife, Gladys Meza Romero, who was killed at his side, issued a four-page letter on Wednesday addressed to journalists and distributed by the Vatican press office. The letter sought to shame the Italian press and implore the media to stop printing rumors about the couple's marriage, but is likely instead to draw still more attention to the case.

The letter rejected "categorically" recent media reports mostly prompted by coverage of a new book, "God's Word, Gay Word," a roman à clef about the love affair of a senior officer in the Swiss Guards and one of his subalterns, inspired by Lieutenant Colonel Estermann, 43, and the corporal, Cedric Tornay, 23, who shot him and his wife and then killed himself.

"We do not accept the slightest suspicion about presumed hypotheses about tornmented love stories or espionage with which some have tried to stain Alois," the letter said. "We would be grateful if people would stop adding to the pain that we feel."

Since the killings nine months ago, the Vatican has tried hard to dispel rumors that it was a crime of passion or the result of some other scandal.

Last May, a few days after the killings occurred, a few Italian newspapers printed stories based on a far-fetched rumor that Colonel Estermann was an East German spy, but that line of speculation died right away.

In their final report last week, Vatican investigators said Corporal Tornay carried out the killings when he became disgruntled after being passed over for a decoration. They also said that traces of cannabis had been found in his urine, as well as a cyst the size of a pigeon egg in his brain that could have impaired his judgment.

But at the presentation of the new book, the author, Massimo Lacchei, said that a year before the murders he had attended a private brunch at the home of an elderly and important gay politician, where Colonel Estermann and Corporal Tornay were also guests. He said they were lovers, and said he had doubts about the Vatican version of events.

Instantly, Italian newspapers and other publications published stories about the theory that Colonel Estermann and Corporal Tornay were gay lovers.

Maria Meza Romero, a younger sister of the commander's wife, said she had seen news reports about the rumors in Venezuela, and came to Rome this week with her sisters to meet with Colonel

Estermann's survivors and compose a joint letter.

"At first, we paid no attention to these news stories, but then they started up again recently, with such lies and perversion," Ms. Meza Romero said. "We decided we had to do it — none of the people who wrote about my sister and my brother-in-law had the slightest knowledge of them as a couple. If they did, they wouldn't write such unjust, false accusations."

Mr. Lacchei now says he, too, feels like a victim, claiming that Italian reporters distorted his words and made up quotes.

"If I were a relative of Estermann or Tornay, I would be furious, too," he said. "The Italian press is so irresponsible."

But Mr. Lacchei did not retract his claims or say anything that might reassure the survivors. He said he had no proof that the two Swiss Guards were lovers, but that their presence at the gay brunch, and behavior there, certainly made him think so.

In the Wednesday issue of the newspaper La Repubblica, Mr. Lacchei's lawyer wrote a letter laying out what his client had, in fact, said. It included Mr. Lacchei's assertion that Colonel Estermann was a frequent visitor at the elderly politician's gay salon, and brought Corporal Tornay, who might have been killed because "he knew too much, had met too many important people."

3 Greeks Lose Ministries Over Kurdish Affair

The Associated Press

ATHENS — Disgraced after failing to protect Abdullah Ocalan, the Kurdish rebel leader captured by Turkey, the government of Greece took dramatic steps for survival Thursday, dismissing three cabinet ministers and lashing back at an ultranationalist clique accused of dragging Greece into the affair.

Resignations were demanded for the foreign minister, Theodoros Pangalos, and the interior minister, Alekos Papadopoulos, for their central roles in a mission in Kenya that ended with Mr. Ocalan in the custody of Greece's long-time arch-rival, Turkey.

Also dropped was the public order minister, Philippos Patsalnikos, whose ministry controls the security forces that failed to prevent a small group of Kurdish sympathizers from smuggling Mr. Ocalan into Greece last month.

To replace Mr. Pangalos, Prime Minister Costas Karamanlis promoted Deputy Foreign Minister George Papandreou, the American-born son of Greece's former Socialist patriarch, Andreas Papandreou.

Vassio Papandreou — she is not related to George Papandreou — was made minister of the interior, moving from the Development Ministry, and her deputy there, Michalis Chrysoscholidis, was appointed public order minister.

Mr. Ocalan's clandestine entry to Greece, allegedly orchestrated by a retired naval officer, began a chain of events that saddled the government with an issue it desperately hoped to avoid — direct involvement in helping Mr. Ocalan and his Kurdish Workers Party.

The government had long feared that hosting Mr. Ocalan could ignite war with Turkey, which regards him as its most wanted terrorist. His organization has fought for autonomy in southeastern Turkey for 15 years in a conflict that has taken more than 37,000 lives.

In the end, however, Turkey ended up with Mr. Ocalan and the government of Prime Minister Karamanlis was left humiliated and buffeted by seemingly limitless outrage.

Many Greeks identify with Mr. Ocalan as a modern embodiment of the Greeks who fought Ottoman Turkish rule in the 19th century.

Mr. Simitis hoped to stop the barrage of criticism by the cabinet reshuffle. He is also deeply worried about any further problems that could derail Greece from its main objective — entry into the European Union's single-currency group by 2001.

It is unlikely the political crisis will be strong enough to topple Mr. Simitis's government, which has 163 seats in the 300-member Parliament.

Kenya Ousts a Top Official

The government of Kenya dismissed its top immigration official Thursday, after he contradicted the foreign minister by saying Kenya had played a key role in the Turkey's capture of Mr. Ocalan, Reuters reported from Nairobi.

Frank Kwinga, the principal immigration officer, angered senior government officials Wednesday when he said Kenyan officials had physically put Mr. Ocalan on a flight out of Kenya on Monday.

Mr. Kwinga was offered no other position in a government reshuffle announced Thursday afternoon.

Brussels to Face Farmer Protest

BRUSSELS — As many as 30,000 farmers are expected to cause chaos in central Brussels on Monday to protest proposals to change the European Union's farm policy.

The demonstration, expected to draw farmers from all over the 15-nation EU, is likely to be one of the biggest in years in the Belgian capital, the center of much of the EU's bureaucracy. EU farm ministers are to meet in Brussels on Monday for what is expected to be a crucial debate. Germany, the current EU president, is pushing for an accord on plans to cut prices paid for agricultural products to make farmers more competitive and curb reliance on export subsidies. The farmers fear that huge income cuts will result from the measures.

European Court Assails Britain

STRASBOURG — The European Court of Human Rights condemned Britain on Thursday for denying citizens of its Gibraltar colony the right to vote for the European Parliament and failing to give soldiers a fair court-martial.

In the first of the separate cases, the court said EU legislation affected citizens of Gibraltar, at the southern tip of Spain, who should therefore be entitled to elect members of the EU Parliament in Strasbourg. Under British law, only citizens of the United Kingdom may take part in the

Crete Will Get Russian Missiles

MOSCOW — The defense minister of Cyprus signed an agreement Thursday allowing Russia to shift Russian-made air-defense missiles to the Greek island of Crete, the Interfax news agency said Thursday.

Cyprus canceled a plan to receive the S-300 missiles in December after Turkey threatened military strikes to prevent their deployment. Turkish leaders also disapprove of the new plan, saying they believe the missiles' presence will tilt the balance of power in the area.

For the Record

Two people were missing and two were injured by a snowslide Thursday at a ski resort in France's Jura mountains near the Swiss border. Rescuers were on the scene near Pontarlier.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Authority in Kosovo

Two days before the deadline for a peace deal on Kosovo, American, European and Russian diplomats still were pursuing a commendable plan. It would use NATO forces, including some American peacekeepers, for the worthy cause of preserving peace. The ethnic Albanian guerrillas and their political allies largely have endorsed the plan, which was presented to both sides in the conflict as essentially non-negotiable. But there are worrisome signs that the West might make unnecessary concessions to get the cooperation of the Serbian leader, Slobodan Milosevic.

The peace deal would end the year-old conflict and gradually pull Serbian security forces out of Kosovo, where they have been responsible for massacres and widespread atrocities against the largely ethnic Albanian population. Kosovo would return to the self-government it enjoyed before Mr. Milosevic came to power in 1989. Up to 30,000 NATO troops would help maintain the peace for three years, after which the international community could take up the possibility of independence for Kosovo.

What the ethnic Albanians want most is American peacekeepers. Over the weekend, President Bill Clinton announced that Washington was willing to send 4,000 troops, a small part of a NATO force that, unlike the one in Bosnia, would be largely European and under the command of a British

general. This is an encouraging development for a continent that has long depended on Americans to defend its security interests. It is also an appropriate use of American troops, as their presence is desired by the inhabitants of Kosovo, and they will not be there to separate warring parties.

The peace plan's vagueness could be a problem on some issues, including the role of the ethnic Albanian guerrilla army and the extent of self-government. Some Europeans are trying to set up a new body to direct the civilian side of the mission, wresting it from the control of William Walker, a skilled and frank American whom Serbia has sought to expel. Mr. Walker should keep the job.

The principal danger, however, is that Western nations will allow Mr. Milosevic to dictate terms. They should not offer to drop sanctions on Serbia or rein in the Bosnia war crimes tribunal. Such appeasement would strengthen Mr. Milosevic and allow him to crack down on Serbia's sister republic, Montenegro, and tighten his control of democratic activists within Serbia.

The West initially said that if Mr. Milosevic did not sign the agreement, NATO would bomb selected Serbian military targets until he did. That threat must be carried out if it is clear that NATO, and not Mr. Milosevic, is in charge.

—THE NEW YORK TIMES

A Lockerbie Deal

More than a decade after 270 people died in the bombing of Pan Am Flight 103 over Lockerbie, Scotland, reasonable arrangements for trying the two Libyan intelligence agents accused in the case at last seem to be falling into place. Under a plan put together by UN Secretary-General Kofi Annan, Libya's leader, Moammar Gadhafi, would send the two suspects to the Netherlands for a trial under Scottish law. If convicted, the Libyans would serve their sentences in Scotland. Whatever the outcome of the trial, UN economic sanctions against Libya would be suspended, and in all likelihood permanently shelved.

That formula would leave many American grievances against Colonel Gadhafi unresolved. But it would allow justice to be belatedly done in the Lockerbie case.

First proposed by Libya several years ago, the idea of a trial in a neutral country under Scottish law was ac-

cepted by Washington and London last summer. Colonel Gadhafi then raised new questions, but now appears ready to proceed, persuaded by the personal diplomacy of Mr. Annan, Mandela of South Africa and Crown Prince Abdullah of Saudi Arabia. They persuaded him to accept the idea that the two suspects, if convicted, would have to serve their sentences in Scotland, although they could receive regular visits from their families.

Colonel Gadhafi has not yet severed his ties with terrorism, remains an outspoken opponent of peace between Israel and its Arab neighbors and is trying to develop biological and chemical weapons. But agreement to turn over the Lockerbie suspects could be a sign that he is tiring of his role as an international pariah. If so, he might be induced to take further steps toward diplomatic respectability.

—THE NEW YORK TIMES

Clinton and Contempt

Judge Susan Weber Wright is reportedly considering whether to hold Bill Clinton in contempt of court for his false deposition testimony in the Paula Jones suit. A contempt citation, if she chooses to issue one, would be an appropriate coda to the Senate's acquittal of the president last week.

One has to admire the manner in which Judge Wright has conducted herself throughout the past year. Unlike Kenneth Starr, the judge before whom President Clinton's lies were told has not injected herself into the impeachment process. As long as the House of Representatives was considering impeachment and as long as the Senate trial was under way, she did not actively consider the contempt issue. Even now her consideration seems preliminary. But this restraint on her part does not now preclude her from exercising the inherent authority of a judge to supervise her own courtroom. And Mr. Clinton, having sworn to tell the truth in a deposition before her and then having violated that oath, properly remains subject to her disciplinary authority.

There is a certain elegance in the idea of civil contempt as the remedy for Mr. Clinton's lies. Should Judge Wright hold him in contempt, that finding would represent an actual judgment that Mr. Clinton's behavior is unacceptable and sanctionable. Yet it would carry none of the baggage of the other remedies that have been considered.

It would not, unlike impeachment, remove him from office — an outcome that seemed too dire given the specific circumstances of this case. It also would not, unlike an indictment by Mr. Starr, prove a great distraction from Mr. Clinton's duties in his remaining two years of office. Indicting Mr. Clinton would, in our view, be a bad

idea, as it would, in light of his acquittal in the Senate, have the feel of piling on. While he remains in office, of course, there is a serious constitutional question as to whether an indictment would even be possible. And although there is no such question once Mr. Clinton leaves office, the thought of Mr. Starr waiting around for two years to bring such a case is unsettling.

A contempt finding raises none of these concerns, nor does it raise the concerns about partisanship that have haunted previous proceedings. Judge Wright has been unstintingly fair to Mr. Clinton throughout this litigation. It was she, after all, who threw out the Paula Jones case on summary judgment last year. A finding by her that a contempt citation is warranted could not be dismissed as part of some political vendetta. It would, rather, be an appropriately measured response to his conduct — one that held him accountable and yet allowed him to serve out his term as president as unshackled by this whole episode as his hugely diminished stature permitted.

—THE WASHINGTON POST

Other Comment

Tabloid Populism

Populism is growing deeply unpopular. For however attractive it may have sounded in principle to have "the people" in charge, the reality — rule by the tabloid press — is beginning to feel very unpleasantly like rule of the mob. This is a demoralizing condition which makes everybody in public life, at however low a level, feel insecure and vulnerable. When will the dread finger be pointing at me?

—Peregrine Worsthorne, writing in *The Daily Telegraph* (London).

A European Defense Identity Would Bolster NATO

By James A. Thomson

SANTA MONICA, California — As the April summit celebrating NATO's 50th anniversary approaches, there will be lots of talk about a European security and defense identity. There is reason to be skeptical. It is unlikely that the main factor governing security relations between America and Europe — Europe's military weakness — will be seriously addressed.

Compared with the United States, Europe has little ability to protect interests outside of Europe itself. For example, Europe is unable to participate meaningfully in any military coalition that might deal with dangers from weapons of mass destruction or help ensure the security of the Middle East and the Gulf.

Because the United States shoulders the military security responsibility, it also dominates the formulation of policy toward any international issue that has a military component, whether it is dealing with Saddam Hussein or responding to international terrorism. European political leaders end up as backseat drivers. If they do not like the policy direction chosen by the United States, they can complain, be silent, or try to figure out how to get control of the wheel. Complaints from backseat drivers are usually not welcome. Grabs at the wheel are certain to be rebuffed.

Most of the recent disputes between the United States and European nations over security issues can be seen in this light. America and France, in particular, have been at odds over NATO command assignments, policy toward Iran and Iraq, and the need for UN

resolutions in advance of military actions. Other countries have been silent, often conducting policies at odds with American desires, such as those concerning sanctions against Iran.

Unless Europe and the United States create a true partnership based on European military strength, we can expect these sorts of disputes to continue. America will not yield control over military operations or forces while it provides the bulk of the capability and assumes the major risks. Europeans will continue to grouse about the U.S. tendency to see every crisis in military terms and to veer toward military responses.

The EU has a larger population and economy than the United States. It also has more men and women under arms. Its subordination to the United States on security issues is both odd and galling.

Europe's military weakness is a legacy of the Cold War. European nations provided the bulk of the ground forces that would have defended Europe against the Soviet threat. These forces were raised by conscription. The lower cost of conscript armies and Europe's focus on defending European soil permitted Europe to spend relatively less on defense than the United States.

As a result, European forces are manpower intensive and unable to be employed at great distances. In the aggregate, Europeans spend less than the United States on developing and buying new weapons and equipment and on the people that operate them.

America has opted to spend its defense dollars on technology and high-quality volunteer forces. This has left European military forces at least a technological generation behind America.

Britain is the exception that proves the rule. She abandoned conscription decades ago. Although her forces are small, they are able to operate side by side with the Americans. Both the United States and Britain spend about \$200,000 per soldier, sailor and airman. Europe, excluding Britain, spends about \$70,000, demonstrating the imbalance of the technology and professionalism of the forces of European forces compared to American and British forces.

Britain's ability and willingness to be a military partner to the United States gives her influence over American policy. It helped President Bill Clinton that he could point to Britain's participation in the recent attacks on Iraq as evidence that he was not motivated by domestic political concerns. It is certain that Mr. Clinton listens carefully to the views of Prime Minister Tony Blair.

There are three ways for Europe to create the military strength needed for a true partnership of equals.

First, Europe could increase its defense spending, which currently stands at about 60 percent of the American level. But low levels of defense spending are built into European economies and increases are unlikely.

Second, Europe could reduce territorial defenses, abandon conscription, cut back manpower levels, and build up volunteer forces able to operate at great distances. This sort of restructuring

would be an immense political challenge. There are vested interests in every institution — military services, defense bureaucracies and industries.

Finally, Europe could organize as a single defense entity. This could be done within NATO or outside it. What is needed is a combined command structure and a centralized defense planning, programming and budgeting authority.

This sort of integrated command and planning system is a far cry from anything that has been contemplated so far. The difficulties in coordinating security policies that European nations have had in the 1990s do not provide confidence that serious progress can be expected in improving defense efficiency.

There has been modest movement in these directions. Force restructuring is happening, including in Germany, where a rapid reaction force is being created. France has abandoned conscription. Multinational military commands and units now exist. And Britain, which has opposed an EU defense role in the past, now supports one.

American should applaud this. But Americans and Europeans should be realistic in recognizing that these are but baby steps on a long and arduous road. Unless a major project is mounted that will promise greater European military strength, Americans will be skeptical of more communiques promising a European security and defense identity.

The writer, president of RAND and chairman of the board of RAND Europe, contributed this comment to the *International Herald Tribune*.

In Iraq or Serbia, 'Smart' Bombs Aren't Smart Enough

By Flora Lewis

PARIS — The standoff missile and the smart bomb seem to have become America's reflex answer to the dilemma of using force without risk of being hit back. The answer becomes so persuasive, if only in Washington, that it distracts from the real issue of force, which is: To achieve what? The reflex even has come to block the old routine question of how much damage was done.

Air strikes at "missile sites and other installations" in the northern and southern "no-fly zones" over Iraq have become a daily habit. They are reported in only a line or two in the Western press, unless Baghdad claims civilian casualties. But these cannot be confirmed, so no more is disclosed. Each day's communiqué says damage assessment will be made later.

Nobody seems to ask about it the next day or the day after.

If, with this steady low-level aerial war against certain limited areas of Iraq, there are still plenty of radar and air defense sites to target, are few of them actually hit? How much really survived the intense, vaunted bombardment of "Desert Fox" in mid-December? The planes all return safely, so far at least, so nothing further is said about the point of all this expensive, irritating activity.

Something similar is being insistently threatened on Serbia unless it agrees by a deadline set for the end of this week to pull most of its forces out of Kosovo and accept an interim political solution.

The Serbian forces actually in Kosovo do not offer much of an identifiable target, so there is talk about hitting Serbia's air defenses and maybe communications and such. That would be in effect going in war with Serbia, which is exactly what NATO, the United States and others involved say they do not intend to do.

Unless Slobodan Milosevic is really playing a game to cover himself against domestic cries of betrayal as he pulls back from Kosovo, the bombing threat seems pointless. As the Russians note, it can bring no useful result, while otherwise they are willing to contribute to a multilateral force to impose a political agreement.

Mr. Milosevic may actually want out of the impasse, particularly if he can use an agreement to extract some concessions in the economic embargo that is hurting Serbia. If not, it is hard to see what bombing would do beyond making everybody angrier.

Smart bombs may be better than the old-fashioned kind at finding their target (although they seem not perfect by any means, despite some claims). But they are not smart enough in substitute for a political strategy and clarity of purpose.

In a recent interview from his base in Tehran, Mohammed Bakr Hakim, head of the Supreme Council for the Islamic Revolution in Iraq, said his group would reject the American aid offered to seven different Iraqi opposition organizations. "We do not need this help," he said. "The true need is to confront the oppressive operations which the Iraqi regime conducts within Iraq." The international community is responsible for protecting the people against such oppressive

operations, as is the case with the Albanian people in Kosovo.

It is not too surprising that he should be tempted to compare the situation in his own country to Kosovo. In both places the real problem is a brutal regime that brings misery to its people and upsets the neighborhood.

And in both cases, the United States would like to see the regime replaced but is not prepared to do much more about it than denounce, threaten and eventually bomb ineffectively if only because at some point repeated threats that don't work have to be carried out.

This certainly is not to say that the United States should launch a full-scale military attempt to get rid of Saddam Hussein or Slobodan Milosevic. Nor should it, because of

failure so far, give up trying to influence the behavior of Baghdad and Belgrade.

Despite debate in Washington on the specifically European importance of Serbia, and the lack of any advance assurance of how and when American troops sent to Kosovo will get out, the peace of Europe, including this fragment of it, is indeed of vital interest to the United States, no less than the Gulf and the Middle East.

But the task of keeping the peace and protecting human beings is not simple. No magic formulas or smartly magic weapons exist to do it. America is only fooling itself and wasting its money with its bomb fetish. This shows willfulness, but not really leadership.

Flora Lewis

Don't Try to Fix Kosovo by Ruining Bosnia

By Robert L. Barry

SARAJEVO — David Owen

proposed recently that for every square kilometer of territory Serbia loses in Kosovo it should be compensated with a square kilometer of territory from the eastern part of Bosnia-Herzegovina. (See "Redo Dayton on Bosnia, and Do a Deal on Kosovo" by Thomas L. Friedman, *Opinion*, Feb. 8.)

No doubt by coincidence, we heard this same proposal from contacts close to Slobodan Milosevic, the Yugoslav president.

Mr. Milosevic's strategy, those contacts told us, was to block the creation of a new government in the Serbian entity (Republika Srpska) of Bosnia, and then create a parallel government of pro-Belgrade hard-liners in Pale, the stronghold of Radovan Karadzic, an indicted war criminal and former president of the Republika Srpska, and his ally, Momcilo Krajisnik, a former

Serbian member of the Bosnian presidency.

Partition and union of the eastern Republika Srpska with Serbia, in compensation for Kosovo, would follow this. The unspoken corollary would be a grab by Croatia for the remaining half of Republika Srpska.

This display of realpolitik-run-amok has left those of us implementing the relatively successful peace in Bosnia slack-jawed with incredulity. To suppose that any peace in Kosovo could be accomplished at the expense of the internationally recognized territorial integrity of a country which has had its war and moved on is nothing short of wrong.

The shortsightedness here harks back to all that was misguided with previous international policies in the Balkans. Lord Owen's proposal, ac-

ording to which Bosnia would receive nothing for ceding lands to Serbia, is a crudely relativistic take on sovereignty. Volunteering to redraw Bosnia's borders sends a powerful message: that some countries' sovereignty and territory are not worth as much, are not as protected and respected, as those of others.

This is the wrong message. It flies in the face of the Dayton peace agreement, contravenes international law and rewards violence and ethnic cleansing.

Nationalist hatred was consciously fanned and manipulated to serve as a vehicle for taking and keeping power. So now the international community should reward those who chose that path?

A significant number of people may not have wanted to live in a multiethnic state, but a significant number did, and many more just wanted to live, period. To provide the radical nationalist forces with a victory (and that is what this does) would radicalize everyone else.

Does anyone honestly believe that hard-line Croats would not insist on a similar "solution"? This would leave Bosnia as an untenable, unworkable mini-state, and radicalize the population left here. It must be pointed out to Mr. Milosevic, Mr. Krajisnik and others of like mind that Bosnia-

Herzegovina is a sovereign nation, and has been since 1992, when it seceded from a crumbling Yugoslavia. It has internationally recognized borders. It has a functioning elected government based on a mutually agreed-upon system. In short, Bosnia is working.

It would be misleading to imply that the process is perfect, but the country is moving forward. Now is not the time to drag it back to the past.

Lord Owen's proposal can only be considered naive and guaranteed to undermine the considerable political and financial efforts that the international community and Bosnia itself have deployed to bring peace and prosperity back to this land. Reconciliation has to be the key word here, not partition.

So let the negotiators and the parties work out their differences at Rambouillet, just as the Bosnian parties did in Dayton more than three years ago. And keep in mind that the hard work they have yet before them cannot be replaced by an expedient, although ultimately reckless and temporary, substitution.

The writer, a retired U.S. Foreign Service officer who served as ambassador to Indonesia and to Bulgaria, is head of the OSCE Mission to Bosnia-Herzegovina. He contributed this comment to the *International Herald Tribune*.

Signs of Instability in Central Asia

By Paul A. Goble

WASHINGTON — Eight car bombs in Tashkent on Tuesday seriously undermined Uzbekistan's claim to be an island of stability in post-Soviet Central Asia.

We are seeing the fragility of regimes across the region, from Azerbaijan in Turkmenistan to Kazakhstan, where political and religious crackdowns have planted new seeds of unrest.

Uzbekistan gained independence in 1991. Because it has the largest population in the region, it can plausibly claim to be the most important country there. Since then, Islam Karimov, the former leader of the Uzbek Communist Party and now the president, has restricted basic freedoms and arrested and harassed pro-democracy activists. In the name of fighting Islamic fundamentalism, he has closed nearly a thousand mosques in the last year.

Some in the West have decried these abuses, but many Western governments have backed him because he is a strong leader who has declared his opposition to Islamic fundamentalism and his independence from Moscow.

But the bombings this week, which killed 15 and injured 130, suggest that those who

are betting on Mr. Karimov may lose, despite his boast that he has "enough strength to stamp out all these actions."

Because the government has made many enemies, there are many suspects. Some Uzbeks have suggested the regime's domestic opponents, either Islamic or democratic. Others suppose that the culprits were Islamic groups from Tajikistan who wanted to punish Mr. Karimov for opposing them during the civil war that has engulfed that country since 1991.

Still others believe that the Russians were responsible, and point to Uzbekistan's suggestion that it will not sign any extension of the collective security treaty that Moscow has proposed extending to its former republics.

In fact, all these groups have reason to dislike the Uzbek government, and several might well have cooperated in the attack.

The many enemies that Mr. Karimov has made, coupled with the many repressions he has enforced, have left his country more vulnerable to instability than his Western supporters realize.

Just as important, the Uzbek government has failed to deliver the economic development that the population craves and a coherent ideological justification for Mr. Karimov's authoritarian regime. Without some combination of the two, it will be very difficult for him to develop genuine and self-sustaining political authority.

President Karimov is 61. Like the aging leadership in other post-Soviet states in Central Asia and the Caucasus, he almost certainly will have to begin transferring power to a new generation sometime soon — a generation that was not reared in the climate of Soviet domination.

The Tashkent bombings may indicate that the changing of the political guard in the ex-Soviet republics could be anything but peaceful, especially if Mr. Karimov and the other leaders decide that force, not democratic legitimacy, is the way to maintain stability in the time they have left.

The writer, a former Soviet nationalities specialist at the U.S. State Department, is communications director at Radio Free Europe. He contributed this comment to the *New York Times*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Loubet Elected

PARIS — The prophecies made before the event were right. Everybody said that M. Loubet was certain to be elected as the successor of the late M. Félix Faure. In the afternoon [Feb. 18] he was made President of the French Republic by a majority of seventy votes. M. Loubet virtually had things in his own hands. With the exception of himself, nearly every prominent public man in France, who under happier circumstances might have stood some chance of occupying the Elysée Palace for a term, has been more or less affected by the Dreyfus affair.

1924: Fashion Heresy

PARIS — [The Herald says in an Editorial:] Tailors seem to be agitated over what they regard as decadence in men's fashions. In New York, tailor designers have protested against that rank

heresy, the wearing of a white waistcoat with a dinner-coat or "tuxedo," so-called! Tailors seem to be held to the compelling fact of the evolution of costume, under the influence of modern needs. It is inconceivable that any demand of fashion could now persuade the ordinary American to submit to the tortures inflicted in the past under that name.

1949: Zamora Dies

BUENOS AIRES — Niceto Alcala Zamora, father of the Spanish Republic and its first President, died here last night [Feb. 17]. A consistent "middle of the road," his dream was a common-sense Spanish republic. He was only in office for fourteen months between 1917 and 1931 when, on April 14, he found himself President of the provisional government which forced King Alfonso XIII to abandon his throne.

Herald Tribune

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OPINION/LETTERS

In Victory, Turkey Must Show Magnanimity Toward the Kurds

By William Safire

WASHINGTON — A mob of Syrians may with impunity trash the U.S. ambassador's residence in Damascus, but when a mob of Kurds storms Israel's consulate in Berlin and seizes a hostage, demonstrators get killed. That is because Israel's affords terrorism zero tolerance.

Kurdish separatists living in Germany lashed out at Israel because they mistakenly suspected its Mossad helped a Turkish commando team capture their fugitive leader, Abdullah Ocalan, in Kenya. The ensuing bloodshed was doubly tragic because the Kurdish and Jewish peoples — non-Arab and historically oppressed — long quietly shared a fellowship of the rejected in the Middle East.

The Kurds, 20 million weak, have no homeland. Many live in northern Iraq, and are protected from Saddam Hussein in a "no-flight zone" by U.S. planes based in Turkey, where most other Kurds live. (In Istanbul this month, I was reminded to call them "Turks of Kurdish descent.")

Reasonable Kurdish leaders want autonomy within other nations: to enjoy their language and culture under a degree of self-rule. Then there is the Marxist Mr. Ocalan. He and his PKK guerrillas have been fight-

ing a bloody war against the Turks for an independent Kurdistan, costing over 30,000 lives in 15 years. By threatening war with Syria, Turkey drove him out of his Damascus sanctuary. His capture triggered furious protest throughout Europe. He is to be tried in Turkey.

He will soon be lionized by knee-jerk leftists everywhere. They will overlook the way he murders those not loyal enough to him and probably profits from heroin smuggling to support his movement.

But Mr. Ocalan's flight and capture have radicalized Kurds of all factions. Turned away from every door, he desperately searched for refuge. That symbolized the plight of a people whose slogan was uttered decades ago by my friend Mullah Mustafa Barzani, another Kurdish leader, after his betrayal to the Shah of Iran by the Americans: "The Kurds have no friends."

On trial, the fiery Mr. Ocalan is likely to come across more as a righteous John Brown than a coolly murderous Adolf Eichmann. His prosecutors run the danger of being portrayed as authoritarian mil-

itarists not only denying cultural rights to a repressed minority, but bouncing a rebellion's rubble by persecuting its hero.

That media play would further alienate Socialist Europeans from Turkey, which they unfairly blackball from their club.

Making a martyr out of Mr. Ocalan would strain, though not break, the "phantom alliance" of Turkey, Israel and the United States, a strategic tie that so frustrates fundamentalist Muslims and southward-looking Russians.

Let's not go down that road. First, here is what the Kurds in Iraq should do: Mr. Barzani's son Massoud should stop playing footsie with Saddam Hussein. On Sunday he met secretly in Duhok with Tariq Aziz, Iraq's deputy prime minister. No good can come out of two-timing the United States, which polices the no-flight zone from Turkey.

With Mr. Ocalan in custody, Kurds everywhere should encourage new leadership to help the Americans overthrow Saddam and help the Turks make peace with Kurds of Turkish descent. Promote Kurdishness, not Kurdistan.

Here is what the Turks should do: Declare victory and end the Kurdish war.

(1) In the trial, concentrate on the PKK killings of Kurdish "collaborators" and knock themselves out to be fair. (2) Pump money, not ammo, into impoverished Kurdish villages. (3) Release jailed Kurdish politicians and let Kurds vote for them instead of the Islamic party. (4) Permit Kurdish-language radio and TV, so that Turkish Kurds do not rely only on news from pro-PKK broadcasts from London. In other words, loosen up, Turkey — you have won. With confidence gained from victory, treat ethnic diversity as a sign of strength. Emulate multicultural Western democracies, not Balkan tribal conquerors.

Here is what the United States and Israel should do: Publicly hail Turkey's victory. (Both President Bill Clinton and Prime Minister Benjamin Netanyahu have been doing the right thing on this.) Make plain to oil companies that the Caspian pipeline is safest through Turkey. Convince the Turks that the above four-point plan benefits the phantom alliance. (If the Turks want, let Azerbaijan in.)

Above all, Ankara, take Winston Churchill's advice: "In war, resolution ... in victory, magnanimity."

The New York Times

A Nightly Civility Lesson At a Mexican Dance Hall

By M. Delal Baer

MEXICO CITY — Hidden behind the headlines of corruption and gangland slayings is a quieter Mexico, one rarely noticed, let alone celebrated. But every night, when the music strikes up at a small restaurant named La Embajada Jarocha, you can be transported instantly to the 1950s — to a culture of decency that is still the norm among Mexico's vast and honorable middle class of modest means.

The place is filled with families and married couples in their forties, with a sprinkling of young folk, widowers and dapper men over 60 wearing fedoras. Age segregation and the generation gap

started 17 years ago with a monthly get-together with friends from Veracruz. The owner's wife, Caty, was working as a street vendor selling seafood dishes when the couple thought: Why not open a restaurant and dance salon where friends could come to celebrate the food and music of Veracruz? Hence, the Veracruz Embassy, or La Embajada Jarocha.

The place is more than a business — it is a community. There is the elder Don Ramon, a Veracruzano who presides over a table teeming with friends, children and the wife he seems to adore.

There is the owner, who weaves about the tables. Everyone knows that he was mamba champion of Veracruz and won the accolade "King of the Ugly" for making

contorted faces during carnival. Then there are the modestly paid surgeons, former prizefighters, lower-rung architects, cheap lawyers, commercial wholesalers, oil workers and all the good folk who keep the wheels of Mexican society turning in the right direction.

When you are ready to leave, good manners dictate that you make the rounds and say good night to everyone you had some interaction with, which means visiting virtually every table. I, the blond foreigner, was warmly accepted and called the "Veracruz Angel" by the courtly man who escorted me through salsa steps.

These are true tales from Mexico. People and places like this really exist in Mexico's wholesome Eisenhowerian backwaters of community, family values and joie de vivre. They are angered that some of their cops and politicians are crooks, and they fear that their children are at risk in the new world of sleazy values, but they are not convinced that the gringos have seen the mote in their own eyes.

So when accusations gush forth from Washington, usually regarding the drug trade, the patrons of La Embajada Jarocha pause in their daily rounds, amazed at America's self-righteousness, they wonder if we really understand them or what they are up against. And, of course, we don't.

The restaurant owners migrated to Mexico City from the port town of Veracruz — famous for its lively dancing. Mexicans have a strong sense of place and never lose their nostalgia for the provinces. So it all

has a meaning here, where the owners' son sings in the salsa band when he is not playing in his own rock band. The surroundings are boney, and the lights glare as the waitresses dish out tamales wrapped in steamed banana leaves and flavored with anise and chile. The place opens early (6:30 P.M.), so that families can go dancing at a decent hour.

I have come to the conclusion that in Mexico, the family that dances together stays together.

The tropical band never drowns out conversation, and the quasi-famous crooners with caved-in cheeks sing with a flair that Frank Sinatra would have admired. Amid the tackiness, you feel the graciousness of another era.

When an older man asks a lady to dance, he feels it is his obligation to exclaim on her beauty in the most eloquent terms he can muster. He dances with an exquisite restraint and precision that make the lady wish she had known him 30 years ago. He grips her a touch harder and whispers, "Now, with discretion..." when he shifts into the controlled, straight-backed style that is the epitome of elegant salsa dance. The conservative discipline of that dance requires a communication between partners far more refined than the narcissistic excess that passes for sensuality in today's United States.

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LETTERS TO THE EDITOR

Pentagon Clarification

Regarding "BAE's Marconi Purchase Now Viewed as 'Damaging'" (Feb. 16):

The United States can support trans-Atlantic industrial consolidation that is based on economic rather than political factors if the process includes effective systems to protect information and technology from disclosure.

The United States has removed the barriers between defense and commercial industry to take advantage of the rapid innovation in commercial sectors driven by huge public sector investments that dwarf research and development financed by governments.

Industrial security is not inconsistent with encouraging technology transfer and information sharing. On the contrary, sharing technology and information can also enhance security by promoting interoperability. Closer relationships between U.S. and European industry can contribute to more compatible military forces.

The United States has been reviewing these issues carefully to ensure that industrial security systems keep pace with the rapid changes in industry and business

practices — both to ensure that we prevent unintended disclosure that would endanger security, and to ensure that security systems do not needlessly hinder information sharing that can enhance security.

JOHN J. HAMRE

Washington

The writer is the U.S. deputy secretary of defense.

Private and Public

Regarding "Let's Focus on Public Morality" (Opinion, Feb. 16) by Gary Hart:

Does Mr. Hart really think that history will remember President Bill Clinton for his reform of the military or for preparing America for the next energy crisis? This is simply wishful thinking. History will most likely remember as much about these accomplishments as what I remember about Mr. Hart's accomplishments as a senator from Colorado: nothing.

The only thing that I know about Mr. Hart is that he had to quit the race for the Democratic presidential nomination when he invited the press to find something in his past and they found a luscious blond, to whom he was not married.

Mr. Hart preaches that we should overlook an individual's personal moral failings and focus on what he or she has done for the public. I disagree that "public morality" is more important than individual morality. True interest in the public good comes from people who have a firmly rooted private morality — not from people who confuse their ambition to be remembered in history with what is good for the nation.

I am not interested in judging the personal lives of public figures by a moral yardstick. But I am concerned with the reasoning abilities of leaders who make overtly bad decisions, who choose to risk the shame and humiliation of their families for a few moments of pleasure, and who believe that they are infallible and that the public will let them do whatever they want — provided that they keep the economy going.

KYM KETTLER

The Hague, Netherlands

Teletubbies' Friends

Regarding "The Menace of the Teletubbies, Fifth-Columbian for a Subversive Lifestyle" (Opinion, Feb. 16) by Jeff MacGregor:



By Schenck Vogelmann (captioned) (Hollywood, Calif.)

I did not know what to make of the Teletubbies when they first appeared on television, but thanks to Reverend Jerry Falwell I have drawn some of my own conclusions concerning children's programs. For example: Doeso't Bugs Bunny (a male bushy-tailed rabbit) often kiss Elmer Fudd (a male hunter) on the lips? Albeit he snaps his suspenders and throws a

cream pie in his face beforehand. And doesn't Daffy Duck do the same to Porky Pig? And finally there is Yosemite Sam with that just-almost-too-much-leather-bar-mustache-macho attitude, who caves in at the end of each episode and shows his pitiful and emotional self.

JAMES EASTENWOOD, Villeneuve-Loubet, France

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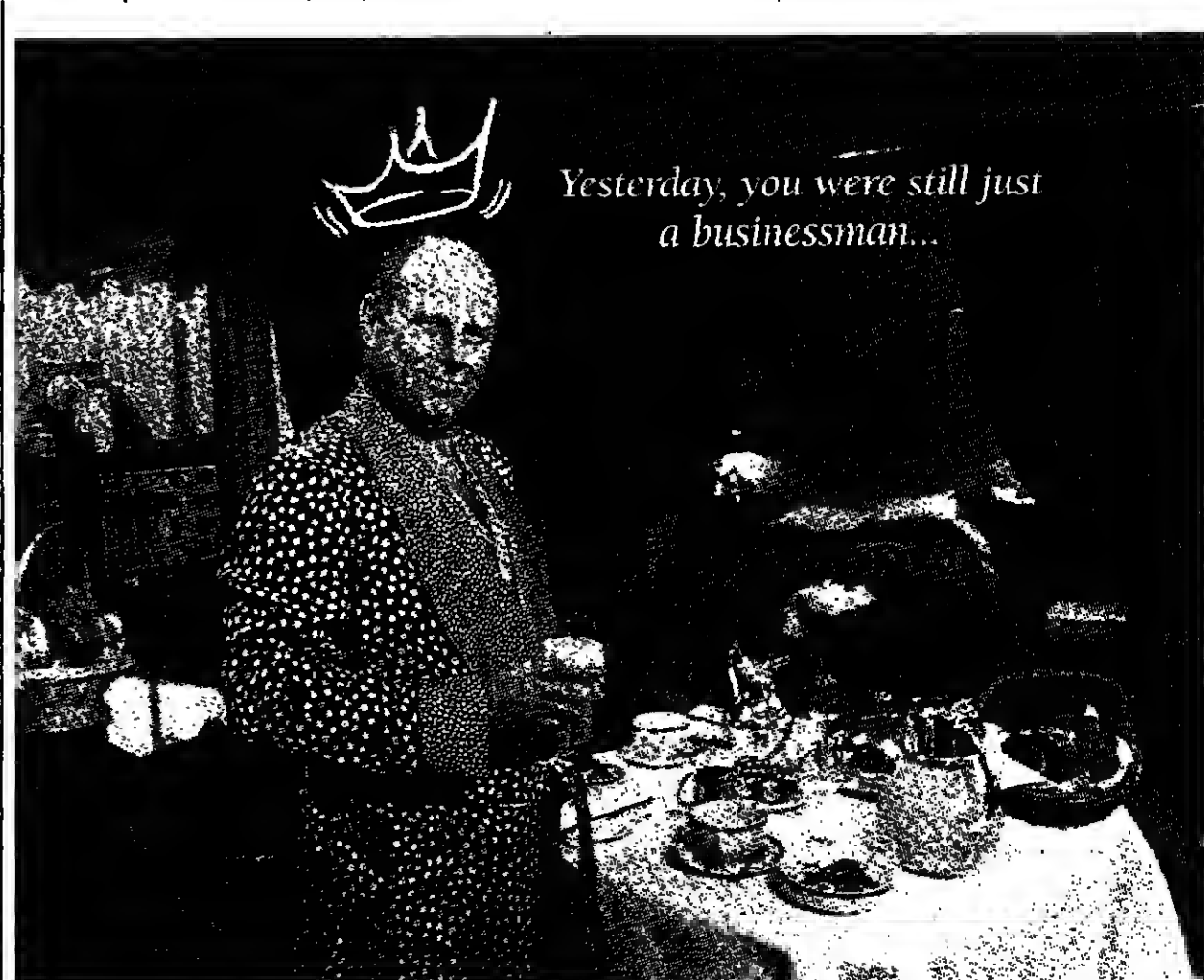


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South India's Kingdom by the Sea

By Katherine Tanko

MAMALLAPURAM, India — For many, the great Mogul palaces of North India with their glittering facades and Arabian Nights minarets represent Indian architecture at its most vibrant and exotic. But these treasures — built by India's foreign rulers — are about as representative of indigenous Indian art as Calcutta's colonial buildings.

For me, the true seat of India's architectural glory rests in the southern province of Tamil Nadu. Here, in the fishing village of Mamallapuram (Mahabalipuram), south of Madras, you can witness the legacy of more than three centuries' worth of early Tamil art. Scattered among the town's rocky hillsides are magnificent rock-cut temples, fabulously detailed tableaux and dramatic shore temples representing some of the finest examples of ancient temple art in India.

Mamallapuram's combination of sun, surf and ancient ruins has made it one of south India's most popular holiday spots. The white-sand beaches that curve north of town are lined with tidy resorts, while in Mamallapuram itself there are plenty of small guest houses and family-run restaurants to choose from. It is the kind of place where you can stroll ancient ruins in the morning, then retire to a sun-warmed beach in the afternoon; start the day with a lazy breakfast on a shady verandah, then watch the sunset over fresh grilled fish and a few cool beers.

Steps from the sea, beyond a breakwater of jagged rock, I found Mamallapuram's trademark eighth-century shore temples. Soaring up into the sky against a backdrop of blue sea and casuarina trees, they occupy what must be the most romantic temple setting in India. The shore temples are a favorite among Tamil families who flock to the site on Sundays.

A MAGNIFICENT PAST

It has been many years since these temples were used for worship. Even so, groups of women in glittering saris moving against a backdrop of golden stone and sand breathed life into these incredible monuments, hinting at their magnificent past.

The main temple, dedicated to Vishnu, was built so close to the shore that its base was lapped by seawater. Twelve-hundred years of plate tectonics have



Mamallapuram's trademark eighth-century shore temples.

pushed the temples safely onto dry land. Unfortunately, centuries of salty spray blowing in from the Bay of Bengal have eroded much of the artwork decorating the stone facades.

The temple's greatest significance is not in the details of its carvings, however, but in its pyramid-shaped peak, or *vimana*. These were among the first stone temples to be built in this style. The new temples, with their soaring peaks rising up out of the sands, set the standard for south Indian temple

building that has endured to this day.

It was the Pallavas, Tamil Nadu's first great imperial power, who created Mamallapuram's shore temples. Although their capital was at Kanchipuram — about 65 kilometers west of Madras — it was here, at their seaport on the southeast coast of India, that they created their most exquisite works of art.

Little is known of the Pallavas. Some claim they traced their lineage back to the great Mauryan emperor Asoka; others that they were little more than plunderers. Whatever the case, they were the first great patrons of Tamil art.

Through the development of music, dance, poetry and sculpture they helped establish a distinct Tamil identity. More significantly, they created a style so fresh and daring it would influence the development of Tamil temple building for centuries to come.

The best example of Pallava sculpture is found 500 meters inland. The stunning Penance Panel — more commonly known as Arjuna's Penance — is a beautifully preserved, open-air tableau more than 30 meters long. It tells the story of the descent of the Ganges with a lively cast of characters including *nagas* (snake people), dwarfs and a hypocritical cat. Folk art depictions of life in the seventh century show woodsmen carrying bows and an exotic collection of animals from elephants to iguanas.

Images reflecting the everyday life of ordinary villagers is one of the things that make the rock carvings at Mamallapuram unique.

STRENGTH OF KRISHNA

One of the best examples of this is the Krishna Mandapa, an elaborate bas-relief that predates the Penance Panel. In it, Krishna is seen lifting Mount Govardhana with one hand to protect local villagers from the wrath of the god Indra. Instead of consorting with other gods, he is surrounded by ordinary scenes of village life: a shepherd playing a flute; a mother nursing her baby; a couple dancing hand in hand; even a cow playfully licking her calf while being milked by a farmer.

The Penance Panel was created during the reign of King Narasimha Varman I, who ruled from 640 to 668 and was responsible for some of Mamallapuram's greatest works of art. Such was his contribution that he even named the port after himself. Assuming the title of Mahamalla (great wrestler), he named the Pallava port town Mahamalla (Mamallapuram) before launching a flurry of artistic activity. Some of the temples, it has been suggested, weren't even built for worship, but to show off the talents of local artists.

One of Narasimha Varman I's most curious legacies is the Five Rathas. Set amid sandy dunes on the southern edge of town, these free-standing temples were carved out of individual blocks of granite. The temples are decorated with gorgeous bas-reliefs in typical Dravidian style. In addition to voluptuous Dur-



The seven-foot-high elephant carved out of solid rock at Five Rathas.

gas and noble Shivas, there is also a seven-foot-high elephant beautifully carved out of solid rock. Its significance is unclear, but it's likely that the elephant — whose backside is the same shape as the temple next to it — is a little joke, compliments of Pallava architects.

Of course, the Pallavas' artistic legacies are not restricted to Tamil Nadu. In addition to being artists and temple builders, the Pallavas were also great seafarers, carrying trade and Hinduism across Southeast Asia.

In Java today you can still see the scattered remains of Hindu temples dating from the fifth century. The most stunning, though, are the magnificent ninth-century temples at Prambanan. With their soaring *vimanas* and elaborate carvings, it is certain they were either built with help of Pallava artisans, or at the very least, heavily influenced by their work.

And they're not the only ones. Wander around Mamallapuram's dusty

streets today and your step soon slows to the gentle rhythm of chisel tapping against stone.

Fourteen hundred years after Tamil artists first began turning lumps of rock into temples for the gods, sculpture remains a part of everyday life. On every street corner, young men chip away at mounds of stone producing Ganeshes, Shivas and Parvatis — this time for the rash of tourists shops that have sprung up around town.

Tourism is the main industry — some might say only industry — in Mamallapuram today. Even the local fishermen, who tend their nets steps from the shore temples, sell most of their catch to restaurants and resorts. It's the kind of thing that might have Narasimha Varman I, the great Pallava ruler, turning in his grave. But it's more likely he'd be proud to see the fruits of his patronage still revered for his artistry and beauty after so many years.

Katherine Tanko is a journalist who travels frequently in Asia.

DINING

In the Garden of the Senses

Twin Chefs in Montpellier Blend the Modern and Traditional

By Patricia Wells
International Herald Tribune

MONTPELLIER, France — They are known as Les Freres Pourcel, twin brothers who shook the French food world just a year ago as they captured the coveted third Michelin star for their modern, personalized restaurant on the outskirts of this southern city.

Along with their partner-maitre d'hôtel-sommelier, Olivier Chateau, they like to joke that they now have a star for each one of them. The Pourcel story is a familiar French one. The twins Jacques and Laurent, sons of a local winemaker, grew up with a passion for the food that marries with the rich and heady local wines. As a double tour de force, they spread their wings around the country, Laurent apprenticing to such top French chefs as Michel Bras and Alain Chapel, and Jacques working under the tutelage of Michel Thoma, Marc Meunier and Pierre Gagnaire. They opened their own restaurant, Le Jardin des Sens, in Montpellier in 1988 and seem never to have looked back.

Their restaurant-hotel matches their cuisine, with a look distinctly contemporary (the architect, Bruno Borione, is known for his work at New York's Paramount and Ritz-Carlton hotels) and a cuisine that intelligently blends tradition with modernity.

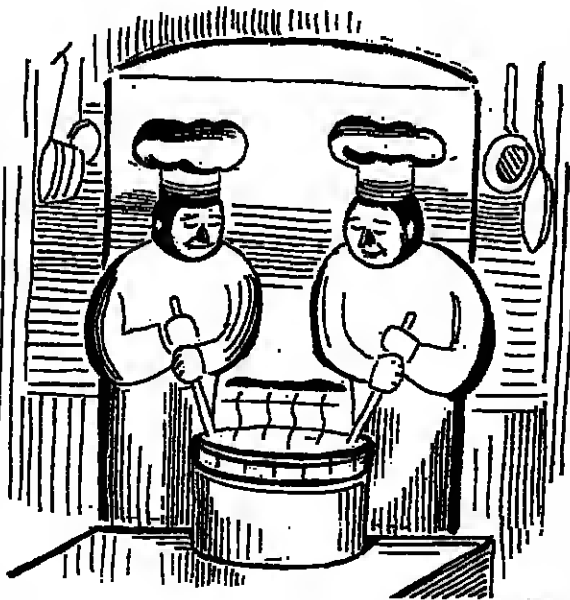
Be warned: The place is very hard to find, even for one with a good sense of direction and all the Michelin literature. Internet users may visit the restaurant Web site — www.lejardindessens.fr — and print out a map.

VAST, TIERED DINING ROOM

Once you find it, you will enter into a garden of the senses: The vast tiered dining room overlooks a garden in progress, with a 400-year-old olive tree, fruit trees and vines. Everywhere, from the Portland linens to the Bernardaud china, you see that they have determined to do it right.

My only complaints: I prefer a more classic look and find the huge room more of a theater set than a dining room. I also miss a female presence, one that inevitably lightens and softens what can sometimes be a sobering and off-putting grand three-star experience.

The food is a model of modernity, although it is clear that the Pourcels are not about to abandon the great French traditions. Working with the



Add to this Chateau's extraordinary knowledge of the great wines of the Languedoc, and a good time is assured.

For longtime fans of Pile ou Face in Paris, it was a sad day indeed when they sold the thriving Michelin-starred restaurant three years ago. Lucky for us, the three restaurateurs — Claude Udrin, Alain Dumergue and Philippe Marquet — resurfaced in July on the Mediterranean coast, in Montpellier, about 50 kilometers (30 miles) from Montpellier.

In this quiet seaside village, they opened the charming Chez Philippe, a casual and perfectly appointed bistro with a bargain 100-franc (\$18) menu. Since opening day, the "complet" sign has been out for lunch and dinner, and reservations a week in advance are not out of order. With chef Sebastien Demouille at the stove, Chez Philippe offers a choice menu of five starters, five main courses and five desserts, all with an accent on the Languedoc. With such specialties as the layered vegetable omelette (*crespeau*), eggplant with delicate goat cheese; poached oysters from the Bassin de Thau, and a gratin of mussels cooked in the local Nully Dry, we have a veritable regional festival.

THE restaurateurs are always searching for a new local wine, a new local cheese monger, a new local vegetable grower, a new local designer to embellish their already well-tended prize. Go with an eye toward pleasure, and hope that their experience, attention to detail and passion for food rubs off.

Le Jardin des Sens, 11 Avenue Saint-Lazare, 34000 Montpellier. Tel: 04-67-79-63-38; fax: 04-67-72-13-05. Credit cards: American Express, Diners Club, Visa. Closed Sunday, Monday lunch and two weeks in January. Menus from 230 to 590 francs (about \$40 to \$100). A la carte, 190 to 480, including service but not wine.

Chez Philippe, 20 rue de Suffren, 34340 Marseillan. Tel: 04-67-01-70-62. Credit card: Visa. Closed Sunday dinner, Monday and Tuesday. Open for dinner only every night in July and August. Closed in January. 100-franc menu. A la carte, 150 to 170 francs, including wine and service.

Patricia Wells can be reached on the Web at: www.patriciawells.com

Wine Bars Of Tokyo

Japan Gets Serious

By Ken Belson

TOKYO — When the Japanese decide to do something, they do it thoroughly, if not excessively. So it is with the fashions now sweeping the nation: cellular phones, 1970s heavy-knit sweaters and, thankfully, wine. That means visitors to Tokyo can now find plenty of centrally located, well-stocked wine bars at prices that are fast becoming affordable.

For decades, beer, sake and whisky dominated menus at bars and eateries, with wine reserved for foreigners and dilettantes. But sophistication is "in," especially with younger Japanese who travel to Europe, the United States and beyond. Even hard-drinking businessmen, tired of getting bloated on brew or hammered on Scotch, are turning to wine — because it is lighter, healthier and goes with a wider range of foods.

The wine boom is a surprise given the fact that Japan is suffering through its longest and worst recession since World War II.

Sales of imported wine rose nearly 30 percent last year, and foreign wines now have 50 percent of the market. More than 42 percent of imported wines sold here are French, followed by those from Italy, Chile, the United States and Germany. Imports from France and Italy rocketed more than 150 percent last year, and imports from Chile and Argentina notched four-fold increases.

Japanese newspapers even run articles to herald the arrival of the year's nouveau Beaujolais. Specialty magazines and wine-tasting groups with their own Web sites are sprouting up.

SOMMELIER EXPLOSION Then there are the ultimate devotees — 3,852, to be precise: the sommeliers. There are 28 percent more of them in Japan than a year ago, and nine times as many as in 1990, the Japan Sommelier Association says.

Meanwhile, eager to boost sales in a slumping economy, supermarkets and liquor shops are devoting more space to display racks of reds and whites at increasingly reasonable prices. A typical bottle of Italian Chianti costs about \$7 now in my neighborhood liquor store.

This boom is also good news for travelers who are intimidated by smoky pubs filled with sodden salarymen. Finding a bar in Tokyo for a quiet glass of wine and a tibble of cheese is no longer a search for the Holy Grail.

The best wine bars are sprinkled through Tokyo's trendier neighborhoods, including Roppongi, the city's best known after-hours spot. Most of them are tucked in side streets, past the



Inside the Brasserie Les Halles, where the wine list is 70 choices deep.

hawkers pushing karaoke clubs and worse. Most are within a 10-minute walk of the Roppongi subway station.

A warning, though. While prices for wine in Tokyo are coming down, everything is relative. A tour of, say, three bars could easily cost you 20,000 yen (\$170). A prudent selection of wines and food should halve the cost.

A perfect place to start is Maru's Bar, a snug basement with a friendly owner and helpful staff. With just 10 counter seats and two tables, Maru's fills up quickly, so it's best to get there by the 6 P.M. opening. Next door is Maru's Restaurant, so dinner afterward is easily done.

Maru's cellar leans toward the French, and is impressive given the shop's tiny interior. A glass of 1995 Gevrey-Chambertin, or similar red Burgundies, costs 1,600 yen. Bottles start at 6,000 yen. There is also an excruciatingly complex selection of cheese. Our sommelier suggested four of the more than two dozen choices that included a hard Mimolette, a creamy Brillat-Savarin and a Prestige, made from sheep's milk.

For a more casual start, try Brasserie Les Halles. The Paris-style bistro is under new management and has companion restaurants in New York, Washington and Miami. The wine list is 70 choices deep, and more global than Maru's. The tables up front open onto the street in warm weather, and the menu stretches from a simple Croque-Monsieur for 650 yen to a Japanese-style steak with Bearnaise sauce for nearly 4,000. Les Halles is open seven days a week from 11 A.M. to midnight and is a great place to linger with friends.

Mr. Stamp's Wine Garden is a logical

next stop if you are looking for a full meal and an even deeper wine list. Mr. Stamp's opened in 1976, and the narrow entryway, small tables and overly decorated walls give the place a casual, lived-in look. But the classical music and waiters in tuxedos bring an air of sophistication to a restaurant that definitely has its regulars.

The food is excellent and decidedly French. The wines are a classic bundle of Bordeaux, Burgundies and beyond. The prices veer to the high end, with bottles starting at 4,000 yen, so your tour could end here if you are on a tight budget.

AGENT is a stone's throw away and perfect for a quiet drink in more contemporary surroundings. The restaurant and bar are on the second floor of the Axis Building, the sort of concrete and glass contraption found in trendier Tokyo. The low lighting, Spanish music and funky decor give Agent a hipper, more romantic feel. The wines, about half of which are Italian and French, are accompanied by a wide choice of single malt whisky and champagne. The long bar and interpretive Continental menu allow the restaurant to accommodate a variety of customers.

There are several other worthy spots near Roppongi, including Le Caviste and Du Vin Hachisch in Nishi Azabu. Hachisch has one of the finer menus in town, and a friendly owner with a creative flair. Scala is open until 5 in the morning for the young at heart.

Ken Belson works for Reuters in Tokyo.

MOVIE GUIDE

BLAST FROM THE PAST

Directed by Hugh Wilson.

U.S.

"Blast From the Past" tells the not automatically funny story of a family so nuclear that it scurries into its fallout shelter in 1962 and spends 35 years underground. By the time the squeaky-clean Webbers resurface, the sights of graffiti, barbed wire, urban decay, a porn shop and a transvestite prostitute convince them that, as the father puts it, "society as we know it has totally collapsed." Fortunately, the Webbers themselves are an appealingly batty crew. Calvin (Christopher Walken) is the film's funniest character, a "borderline nutcase" fond of Dr. Pepper served hot. He's the gung-ho mad scientist who has dreamed up a shelter suitable for farming, shuffleboard and watching television as if nothing had gone amiss above ground. (The Webbers have mistaken a plane crash for a nuclear disaster.) This enables his wife, Helen (Sissy Spacek), to putter about a kitchen full of turquoise appliances and hit the apparently endless supply of cooking sherry, a once-sunny homemaker stuck underground. The Webbers have raised a strapping hunk named Adam, who has retained his wide-eyed innocence while growing up to be Brendan Fraser. As directed by Hugh Wilson ("The First Wives Club") and written by Wilson and Bill Kelly, "Blast From the Past" inevitably gives Adam an Eve. Sent upstairs into the world on a reconnaissance mission, he meets a hard-boiled, jaded babe played by Alicia Silverstone, who introduces Adam to her gay friend Troy (Dave Foley). Together, Eve and Troy teach Adam how to wear a black leather blazer and, as they coach him, "look unimpressed," which makes for all the attitude that Adam needs. The film forgets its more amusing underground subplot for a long stretch of time while Adam and Eve get acquainted. While this comedy strives for teenage appeal above ground, it's mostly the fallout shelter no-



Christopher Walken in "Blast From the Past."

tion that makes for the laughs. The production and costume designers from "Bongie Nights" guarantee retro chic and visual wit to accompany the story's wildest notions. (Janet Maslin, NYT)

LITTLE VOICE

Directed by Mark Herman. U.K.

"Little Voice" is like an expertly tailored gown of beaded silk. It showcases its star Jane Horrocks to perfection, but should the wearer step out of it, the garment would not be able to stand on its own. So it is with this lovely but gossamer-thin film based on a play that itself was based on a peculiar talent of Horrocks — her uncanny gift for vocal mimicry of some of this century's greatest female singers. Insubstantial but achingly well-acted, "Little Voice" would collapse in a heap without Horrocks there to support it. Mark Herman ("Brassed Off") has adapted Jim Cartwright's stage play for the screen, and that it succeeds is chiefly due to the abilities of its remarkable cast. In addition to Horrocks, the film includes Oscar-nominated Brenda Blethyn as the heroine's howling widowed mum Mari. Once again, Blethyn astonishes in the

role of a blue-streak swearing Gorgon who manages to evoke not only amusement and disgust but sympathy. As Ray Say, Mari's love interest and low-rent talent agent, Michael Caine brings a brassy dignity to a character whose hubris is almost tragic. Jim Broadbent shines as Mr. Bon, the greasy cloth owner, while the ubiquitous Ewan McGregor turns in a sweet performance as the reluctant singer's suitor and knight in shining armor. (Michael O'Sullivan, WP)

MESSAGE IN A BOTTLE

Directed by Luis Mandoki. U.S.

"Message in a Bottle" is, for Kevin Costner, another handsome day at the office. Make that the beach. It's a destiny romance, a sort of "Sleepless in Seattle" in which two souls converge closer and closer to harmonic convergence while the audience waits with delicious agony in the dark, tear ducts and tissues at the ready. I was that annoying moviegoer at one recent screening, constantly checking his watch to see how many times this thing was going to both before it went down. Costner, who basically plays an archetypal version of himself, is Garret Blake, who builds sailboats in the Outer Banks, says little and writes mournful letters to a lost love called Catherine. He's so "Kevin Costner" he's almost a hologram of himself. Robin Wright Penn, whose deft performance is rather more than the movie deserves, is Theresa Osborne, a single mother and researcher at The Chicago Tribune, who picks up one of his love letters in a bottle. Costner has whittled down his skills to a comely efficiency. After all, it takes just one shimmering gaze to make his fans think they've died and gone to Kevin. Why work himself into a lather? But Wright Penn and Paul Newman, as Garret's father, are nice surprises. She really looks like a woman falling head over heels in love. And he milks a throwaway role with charm we haven't seen since "Butch Cassidy and the Sundance Kid." (Desson Howe, WP)

Too Modern, but, Oh, the Skiing

By Eric Weinberger

CRANS-MONTANA, Switzerland — I had always wanted to ski Crans-Montana, even in the full knowledge that its slopes were easy and the town was modern, in the way a classic Swiss alpine resort should not be. What could be said about Crans was that it was glamorous, and that was enough for me.

When the two old mountain villages of Crans-sur-Sierre and Montana-Verma began marketing themselves about 25 years ago as a single resort — one of the largest in Switzerland — they shed not only their separate identities, but also their age. The supposed difference between Crans and Montana — Crans swank and stylish, its streets lined with clothing boutiques and jewelry stores, Montana a little smaller, more rustic and old-fashioned — was lost on me when I arrived for five days in January last year. I was never sure where Crans ended and Montana began.

Occupying a wooded, south-facing site on a high plateau above the Rhone valley, Crans-Montana has lost nearly all trace of its 19th-century origins. Awash now in a sea of modern chalets and hotels, most of them A-frames of four, five or six stories of no architectural distinction, the resort is dominated by the spiky form of the Crans-Ambassador Hotel bulging through the trees above Montana.

If not for these trees, the attractive, winding paths and the occasional frozen pond or lake one comes across rather unexpectedly, the resort would be irredeemably ugly. But I had the good fortune to arrive during a blizzard, when nearly two meters of snow descended over two days, and a thick layer of snow made the town almost beautiful.

EXPLOSIONS IN PARADISE

Because of the snowfall, I lost most of my first day's skiing. Above the tree line at Cry d'Err, reached by three gondolas (two from Crans, one from Montana), the winds had picked up dangerously, and skiing above the mistification in the woods was prohibited. There was also the risk of avalanche.

As I waited for better ovals at the bottom, before finally going up around noon for whatever tree skiing I could safely find in the poor visibility of the lower runs, I could hear the pops of explosions. The ski patrol had begun what would be two days of controlled dynamiting in the most exposed slopes and steepest ridges to induce avalanches then, rather than later. But when the explosions were over and the sun came out, Crans-Montana had become a powder-skier's paradise.

I learned skiing on hard-packed, sometimes icy pistes, and thus never developed much of a powder-skiing

style. So I cheated, renting the shorter, wider skis commonly known as Fat Boys, which meant my tips would always float to the top in deep powder. To my surprise, I found they were nearly as effective on piste as off. The edge holds, and sweeping turns at high speed are steady, with little chattering underneath to rattle the skier's balance.

Once up Cry d'Err, I searched for possibilities, hoping to stay one step ahead of the snowboarders looking to make fresh tracks, and one step behind the Sno-Cats and lift attendants working diligently throughout the day to open new terrain and dig out hurried lifts. Whatever the conditions, it's best to get away from the crowds of Cry d'Err as fast as possible — either into the woods toward Merbe or higher at Bellalini.

As soon as the lift to Bellalini opened, I was quick to pounce. Once there, I plunged down its steeply slanting shelf, the jumping-off point for some of

corner floor-to-ceiling window of the modern restaurant above the glacier's vast expanse, watching the clouds fill the gap between the northern peaks. Switzerland seemed to extend endlessly in mountain whiteness.

From Plaine Morte, the only way down is a long, occasionally bumpy intermediate trail unwinding through a tremendous chasm to Toulou. All along the trail are the remnants of avalanches, induced by nature or dynamite. We returned to Cry d'Err on the slow, stately chairlifts at Barmaz and Nationale for a final, stunning schuss straight into the setting sun.

The southern Alps confronted us again, this time from a point 1,000 meters below Plaine Morte, where we rode the cusp of the slope into a sea of clouds swelling up from the valley floor. At the tree line, we plunged into the gray and muck, down to Crans.

In both Crans and Montana, convenience is important, particularly for those without a car. So I had seated on a room at the Hotel Nationale. Its lounge and dining room were not nearly as attractive as those of other hotels I visited, but my room was comfortable, and the location — right above the center of Crans — made it a good pick.

I always enjoyed skiing at the end of the day across two parking lots and down a street right to the hotel boot room, until pebbles seeded along the road put a stop to that rather questionable practice. That night, I dreamed of the woods, where all Crans-Montana's skiing ends, the clearings and trails cut from the forest, and of the reflexive turns a skier must make with lightning speed.

The resort has a profusion of paths for walkers (all posted, incidentally, better than the pistes), and 50 kilometers (31 miles) of trails for cross-country skiers, who are particularly well-rewarded here. A place where all this comes together is right in the heart of town, at the larger of the two golf courses on the high plateau. Around me, cross-country skiers glided up and down the undulating folds of the buried greens and fairways.

THE SNOW, now four days old, glistened sharply like crystals or cut diamonds, a sight not lost on two young Italian couples in furs walking in front of me, with a dog and a baby carriage. Urging their wives into the snow for a photo opportunity, the two men clicked their cameras as the women waded in, falling, while their dog bounded playfully, licking at their faces. For them, I suppose, it had the makings of a perfect day, and from our spot in a clearing, with Crans-Montana's celebrated sun and views, I knew that there were more such days ahead and I felt a sense of glamour comfortably restored.

Eric Weinberger, who often writes about European skiing, wrote this for The New York Times.

We rode the cusp of the slope into a sea of clouds swelling up from the valley floor.

Crans's best terrain. This area includes the open bowl through which the Nationale run hasts its way, down toward new fields past Montana, to Les Violettes. Beyond Les Violettes is Aminona: a vast, sunny, uncrowded playground of uncomplicated intermediate skiing.

The effect of the Fat Boys was immediate, even startling. Again and again at Bellalini and around the top of the Nationale, I leaped in, traversing a little farther over each time to make first tracks, bounding through the snow like a Pogo stick. Every time I was off-balance I made an instant recovery. The skis refused to sink even in the deepest drifts — as the snow crept up to my waist, one twist of the tails and I was out again.

The next day, though, accompanied by a friend who lives in nearby Anzere, I reverted to my regular boards. We headed for the distant corners of Crans-Montana: Les Violettes, Toulou and Aminona, the bottom station, which we found by following curious, speedy trails that dipped into the trees above Plumachit before continuing on down less interesting hairpin trails.

Our goal for the afternoon was a ride on the Funitel, a kind of outsize gondola, to the glacier at Plaine Morte, at 3,000 meters (9,840 feet) the literal high-point of local skiing. There, the southern Alps spread before us from east of the Matterhorn west past Mont Blanc, with practically the entire Vaal between. We paused for half an hour near a

BOOKS

FACE-TIME

By Erik Tarloff. 249 pages.

\$23. Crown Publishers.

Reviewed by Michiko Kakutani

TO GET a sense of just how drastically the Washington political scene — along with the Washington political oval — has changed over the last few decades, compare Allen Drury's "Advice and Consent," published exactly 40 years ago, with the hot political novel of the moment, Erik Tarloff's "Face-Time."

Drury's Pulitzer Prize-winning novel concerned a Senate confirmation battle over a nominee for secretary of state; the slight but entertaining "Face-Time" concerns an extramarital affair between the president of the United States and the girlfriend of his chief speechwriter. Tarloff's novel has already created a buzz within the Washington dinner party set that the author and his wife, Laura Tyson, former chairman of President Bill Clinton's Council of Economic Advisors, used to frequent during their years in the capital.

Given today's political reality, it is no surprise that Drury's brand of fiction — which for all its melodrama invested government dealings with an air of gravitas — should have given way to a considerably cruder, more satiric type of fiction.

Nor is it any surprise that novels that only a few years ago were dismissed as ludicrous fantasies now seem more in touch with our tabloid Zeitgeist.

Tarloff's novel gains much of its heat from its portrait of a president (or would-be president) who bears more than a passing resemblance to Clinton. Tarloff's president, one Charles (Chucky) W. Sheffield by name, may be less touchy-feely than Clinton and decidedly bolder, but he, too, is a politician blessed with "plain dumb luck" and high approval ratings. He is known for his gregarious

charm, his ability to compartmentalize different aspects of his life, and his tendency to leave emotional and political casualties in his wake.

As one character observes of Sheffield: "He never is scathed, is he? Other people get scathed in his stead. The designated scapegoats, you might say. He leaves great trains of mutilated de guerre in his wake as he blithely follows his bliss. Perhaps it's because others are unaccountably willing to do his dirty work for him."

Through Tarloff's narrator, Ben Krause, we also learn that President Sheffield is an inveterate womanizer, a Don Juan who covets other men's women. Much to Ben's dismay, one of the president's current paramours turns out to be Gretchen Burns, Ben's own sexy and sexually pragmatic girlfriend, who in a typical Washington moment manages to turn men on by slipping into a turtleneck and a nice pair of pleated herringbone tweed pants.

Clearly, Ben is another variation on that other stock character in recent political fiction, the smart, young George Stephanopoulos clone who has surfaced in everything from "Primary Colors" to a host of movies, from "The American President" to "Broken Arrow" to "City Hall." In the case of "Face-Time," it is the president's chief speechwriter, an ambitious yuppie who cherishes his access or "face time" with the president.

While Tarloff clearly knows his way around Washington, he does not regale the reader with the sort of insider dish that Joe Klein and Sally Quinn lavished on their novels. The story he tells of the sex triangle among Ben, Gretchen and the president is not predicated upon sharply observed little vignettes, comic cameos or even a political agenda. Rather, it has two very simple points to make: that the sex-and-power equation reigns supreme in Washington, trumping both love-and-death and eros-and-incere; and that

powerful men like the president are apt to exercise "obedience merite" — that is, "the opposite of noblesse oblige," the assumption that they are entitled in ways that other mortals are not.

"Face-Time" gets off to a shaky start. The reader can feel Tarloff, a playwright and screenwriter who has worked on such movies as "Aladdin" and "Car 54, Where Are You?" trying to get the gist of writing a novel. It also suffers from occasional lapses of plausibility. Its supporting cast members, including Gretchen and Sheffield, have the emotional life of cartoons, and their utterances often devolve into B-movie clichés.

Still, the story gradually picks up steam, immersing the reader in Ben's tortured (and often comical) efforts to cope with Gretchen's infidelity and the knowledge that he is being cuckolded by the most powerful man in the world, the most alpha of all alpha males.

Along the way, Tarloff dispenses the sort of observations that might as easily be found in an op-ed piece these days in a novel. His hero, Ben, observes that President Sheffield was not Caligula — he was simply a fellow with sexual appetites, a guy "who found himself in a position where he had the wherewithal, along with the vanity and indiscretion, to indulge them when he shouldn't."

Still, Ben declines to shrug off the president's affair with Gretchen as "a mistake." "A mistake?" he says. "I don't think so. A mistake is when you goof once. An affair spread over several months, with God knows how many trysts, an affair that persists even after it's been discovered, that goes way beyond mistake. Mistake doesn't begin to cover it."

Except, of course, that in today's Washington, it depends on how you define "mistake"; it depends on how you define the word "it."

New York Times Service

BRIDGE

By Alan Truscott

IT might surprise many to know that vice is more common in Britain than it is in the United States. We are involved here with the arcane world of bridge squeezes, one of which is named after a useful gripping tool called a vise on the U.S. side of the Atlantic.

Terence Reese named it a vice squeeze in his classic work "Master Play." The book was recently updated by Barry Rigal, an Englishman who lives in Manhattan, and he encountered this rare situation in the diagrammed deal at the New York Regional Championships in December. His opening bid of one over-trump ended the bidding, and after the normal but unfortunate lead of the diamond

four, he was looking for over-tricks. The two won in dummy, and the club king was led, losing to the ace. West returned the diamond queen, and after winning with the ace South cashed the queen and jack of clubs.

A heart was led to the ten,

and after taking the king West led a third diamond, establishing a winner. South won with the king and cashed the last club, on which both defenders did the best they could by discarding hearts.

The ending is shown at left. A heart was led from dummy, and to avoid being endplayed East had to win his ace and exit with the nine. This ruined West, whose spades were gripped in the vice, or possibly vice, of dummy's queen-nine. If he had thrown a spade, South would have played the ace and another to establish a winner in the dummy.

West therefore threw his diamond winner, established with great effort. But South was alive to the situation. He led a low spade, and played low from dummy when West put in the ten. West had to lead from the jack at the 12th trick, and the nine was played from dummy. Rigal had emerged with nine tricks, a triumph of vice. Or vice.

NORTH (D)
♠ Q 9 8
♥ J 5 2
♦ 10 9 5
♣ K J 9 7

WEST
♠ J 10 4
♥ Q 7 4
♦ Q J 5 4
♣ A 10 3

EAST
♠ K 7 5
♥ A 8 5
♦ K 3 2
♣ 4 5

SOUTH
♠ A 6 3
♥ Q 10 3
♦ A K 7
♣ Q 5 4 2

East says: The bidding: North East South West
Pass Pass 1 N.T. Pass
Pass Pass
West led the diamond four.

ARTS GUIDE

AUSTRIA

VIENNA
Kunsthause Wien, tel: (1) 712-0495, open daily. To May 2: "Jean-Michel Basquiat." One hundred works by the American graffiti artist (1960-1988) who reached meteoric success before his death at the age of 27.
www.kunsthausewien.com

BRITAIN

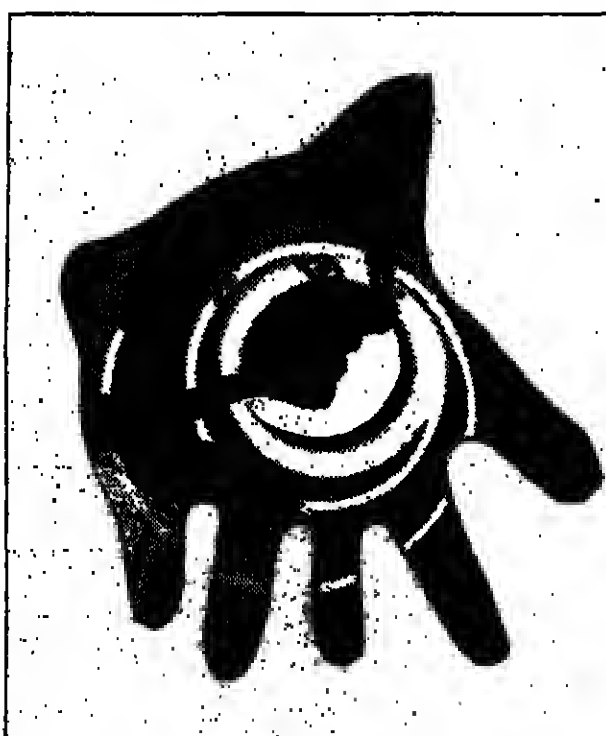
LONDON
Barbican Art Gallery, tel: (171) 638-8891, open daily. To March 20: "Picasso and Photography." The Dark Mirror. The contribution of photography to Picasso's creative process. On display are more than 300 works, including the artist's own photographs and collaborations with Dora Maar and Brassai.
www.barbican.org.uk
Hayward Gallery, tel: (171) 928-3144, open daily. To April 11: "Patrick Caulfield." One of the generation of artists that includes David Hockney and R. B. Kitaj; Caulfield (born 1936) creates figurative still lifes and interiors, landscapes and figure compositions that are painted in bright colors with busy patterns.
www.hayward-gallery.org.uk
Royal Academy of Arts, tel: (171) 300-8000, open daily. Continuing To April 11: "Monet in the 20th Century." Features 80 paintings completed in the final decades of the artist's life.
www.royalacademy.org.uk

CANADA

MONTREAL
Musée des Beaux-Arts, tel: (514) 285-1600, closed Mondays. To May 9: "Monet at Glenlyon." Masterpieces from the Musée Marmottan. On loan from the Paris museum, 22 paintings by the French Impressionist (1840-1926).
www.mmba.ca

FRANCE

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing To



"Hand with Two Profiles," created by Picasso in 1930, is in the Barbican Art Gallery exhibition in London.

April 26: "Un Ami de Cézanne at de Van Gogh: Le Docteur Gachet, 1828-1909." A small selection of paintings by Van Gogh, Sisley and Pissarro together with watercolor copies of Impressionist paintings by Gachet, his son and a friend of Gachet's, Blanche Derouesse. Musée National du Moyen Age, tel: 01-53-73-78-15, closed Tuesdays. To May 3: "Trésors Méditerranéens de la République de Macédoine." On loan from Macedonian museums, churches and monasteries, a collection of 40 loans dating from the seventh to the 16th centuries.
www.mnmk.go.jp

HONG KONG
University Museum and Art Gallery, tel: 2975-5500, closed Fridays. To Feb. 28: "Chinese Calligraphy by Ambrose So Shu-tai." Features more than 40 works of So, a contemporary Hong Kong calligrapher whose nonlinear and curvilinear brushstrokes reflect the influence of ancient stone rubbings.
www.hku.hk

GERMANY

DUESSELDORF
Kunstmuseum, tel: (211) 899-

reflect the influence of ancient stone rubbings.
www.hku.hk

JAPAN

KYOTO
National Museum of Modern Art, tel: (75) 781-4111, closed Mondays. To March 22: "Prints of Edward Munch." Works by the Norwegian artist (1863-1944). With Expressionist intensity, Munch expressed people's loneliness and anxiety with strong colors and swirling lines.
www.momak.go.jp

UNITED STATES

NEW YORK
Solomon R. Guggenheim Museum, tel: (212) 423-3500, closed Thursdays. To May 16: "Jim Dine: Walking Memory, 1959-1989." During the first 10 years of his professional career, Jim Dine (born 1935) began his lifelong pursuit of the themes of the self, the body and memory through a variety of paintings, sculpture and mixed-media assemblages, combining painting and objects (found objects or store-bought items) to create both tactile and cerebral works.
www.guggenheim.org

CLOSING SOON

AMSTERDAM
Feb. 21: "Maxim Kantor: ... From Russia's Past." Bass Museum of Art, Miami.

ASIA
Feb. 21: "Masterpieces of Chinese Ceramics From the Percival David Collection in London." Museum of Oriental Ceramics, Osaka.

EUROPE
Feb. 21: "Fin de Siècle: Graphic Art in Europe Around 1900." Wehrhahn-Richter-Museum, Cologne.

Feb. 21: "Picasso — Klee — Giacometti: Die Sammlung Slegmann." Staatsgalerie, Stuttgart.

Compiled by Elisabeth Hopkins

CROSSWORD

ACROSS

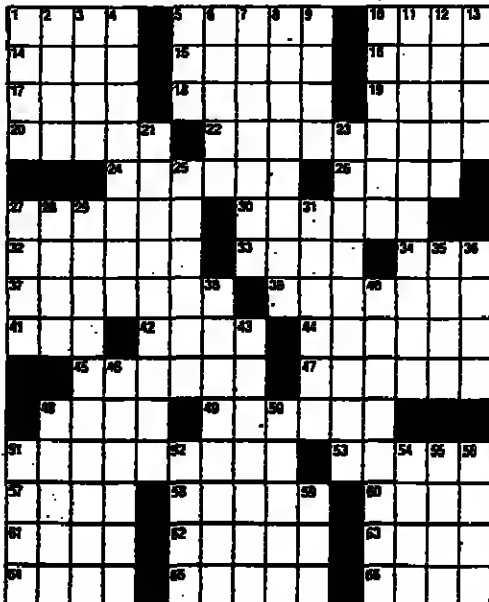
- 1 Classic name at the Newport Folk Festival
- 5 Gulf of Guinea city
- 10 Magic charm
- 14 Org. often seen in court
- 15 Hit a low note?
- 16 Top service provider
- 17 "The Little Mermaid" prince
- 18 One doing the lord's work
- 20 Boxer's concern
- 22 Timber defect extending from the middle outward
- 24 Houseparents' charge
- 26 Minor German count
- 27 It bats at Victor at Thermopylae, 480 B.C.
- 32 "It" author Glynn
- 33 Overgrown oyster
- 34 Tayside topper
- 37 Arab League member
- 38 Result of submarine activity

DOWN

- 1 Heavyweight champ after Cernia
- 2 A little of a lot?
- 3 London Magazine essayist
- 4 Rastabouie ingredient
- 5 Rock group booster
- 6 Not work very hard
- 41 Letters at sea
- 42 Men behaving badly
- 44 Flash floods
- 45 Come about
- 47 Glass calls
- 48 Post-delivery delivery
- 49 "The Plough and the Stars" playwright
- 51 Shade of yellow
- 52 Car in a Beach Boys song
- 53 Footless animal
- 54 Elms of whodunits
- 60 It has notions
- 61 — eyed
- 62 About 1/4 cord
- 63 Part of A.A.R.P. Abbr.
- 64 Flying heater
- 65 Tractor-topping
- 66 Ticker locale: Abbr.

ACROSS

- 7 Surrounding sentences, maybe
- 8 "The enemy is upon us!"
- 9 When the Feast of Lots is observed
- 10 Certain for
- 11 Little Rhody, with "the"
- 12 Nibbles
- 13 Fish scooped in ornamental pools
- 21 Forecast of a sort
- 22 Rare child
- 23 Soap, e.g.
- 27 Revolutionary War commander
- 28 College endower, often
- 29 Entertainment center
- 31 Characters in "Macbeth" and "Richard II"
- 32 Part of A.A.R.P. Abbr.
- 33 Fail to see
- 34 14-Across's role, often
- 40 Cassoulet ingredient
- 43 Comes by
- 44 Textile fiber color
- 46 Swell
- 50 Left
- 51 Enjoined



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Solution to Puzzle of Feb. 18

STARR POOL ALMA
NOVAE ERTE GOES
CROSSCROSS BONA
COMPEAS BONEUP
TRIEDOUT
ASE TAKESTAKES
CLEANINGS AGILE
HUNGON AGENOA
ALALA DISSENTER
DATESDATES TER
ETAGERES
THREAP ATALLOSS
HONG PUMPSPUMPS
EMIL LACE PLAIT
MODE ERAS YURTS

See our
International
Framefranchise
every Wednesday
in The Intermarket

FRIDAY, FEBRUARY 19, 1999

PAGE 11

Help Wanted: Historians To Research Nazi Era

By Barry Meier
New York Times Service

NEW YORK — Last year, Greg Bradsher, a senior archivist at the National Archives, got an urgent request from Ford Motor Co. not long after the automaker was named in a lawsuit accusing it of profiting from its German operations in the Nazi era.

Ford's idea: to send a team of 30 historians and researchers to a government document repository so they could hunt down every scrap of paper dealing with Ford's activities in World War II.

When Mr. Bradsher replied that there were not enough library carts to accommodate such a team, Ford offered to ship its own cars. Eventually, Ford relented, trimming its request to six people.

For banks, insurers and companies like Ford, the mounting wave of Holocaust-related lawsuits has created both a litigation and public-relations nightmare. But the lawsuits also have created a miniboom for one unlikely group, historians and research specialists.

"You have to think in terms of corporate memories," Mr. Bradsher said. "There is probably no one around who knows anything about this stuff, and for many of them these lawsuits are hitting them out of the blue."

As a result, a growing number of corporations, from Ford to General Motors Corp. to Bertelsmann AG, the German publishing company, have hired well-known academics to write their wartime histories or scour ancient file rooms worldwide for damaging or exculpatory information.

At stake are hundreds of millions of dollars in settlements, potential public embarrassment and even business complications. And often the race is simply for companies to find disquieting information before their adversaries do.

The disclosures can be unsettling. Deutsche Bank AG said recently that independent historians it hired had found records confirming that the bank had helped finance the building of the Auschwitz death camp.

Other companies have contracted out research to small companies that use graduate students and others to pore over dusty records at repositories like the National Archives. Plaintiffs' lawyers also have assembled competing teams of historical experts, including some with far darker views of corporate behavior than the researchers hired by companies.

The rush by companies to hire historians also has touched off an ethical debate in academic circles, including an exchange of fire between opposing groups in journals like *The Times Literary Supplement*.

In a recent article, Michael Pinto-Duschinsky, a professor at Brunel University in London, asserted that compe-

nies that hired academics to investigate their Nazi-era ties either tried to hamstring historians or retained researchers who viewed corporate wartime transgressions as unavoidable.

"Among certain corporate historians, there is an ideology that corporations are unfairly maligned and that they are less powerful than they are made out to be," Mr. Pinto-Duschinsky said in a recent telephone interview.

But academics hired by companies to investigate their wartime roles insist that they are given the freedom and resources to seek out the truth.

Saul Friedlander, a history professor at the University of Tel Aviv, said he was approached recently by officials of Bertelsmann after an article in a Swiss magazine that accused the company of, among other things, publishing pro-Nazi and anti-Semitic books in the Nazi years.

Mr. Friedlander said he insisted before taking the job that Bertelsmann give him and fellow researchers unfettered access to its archives and that it forgo control over the fruits of that research.

Within 30 minutes, Mr. Friedlander said, he had received a fax from Thomas Middelhoff, the company's chairman, agreeing to those terms.

"He gave me the strong feeling that he wanted this whole thing cleaned up in every detail," said Mr. Friedlander, who also teaches at the University of California at Los Angeles.

The recent demand for World War II research began several years ago, when Swiss banks were accused of keeping assets deposited before the Holocaust by Jews and others who were later killed by the Nazis.

The World Jewish Congress hired young researchers like Miriam Kleiman to review Nazi-era documents at the National Archives.

"I was between jobs, and I had free time," Ms. Kleiman said.

But as the pace of Holocaust litigation intensified, the stakes rose. Ms. Kleiman was soon lured away by a class-action law firm in Washington that has filed many Holocaust-related lawsuits.

While some researchers at the National Archives still wear blue jeans, it is not uncommon these days to spot corporate researchers wearing suits and gold cuff links.

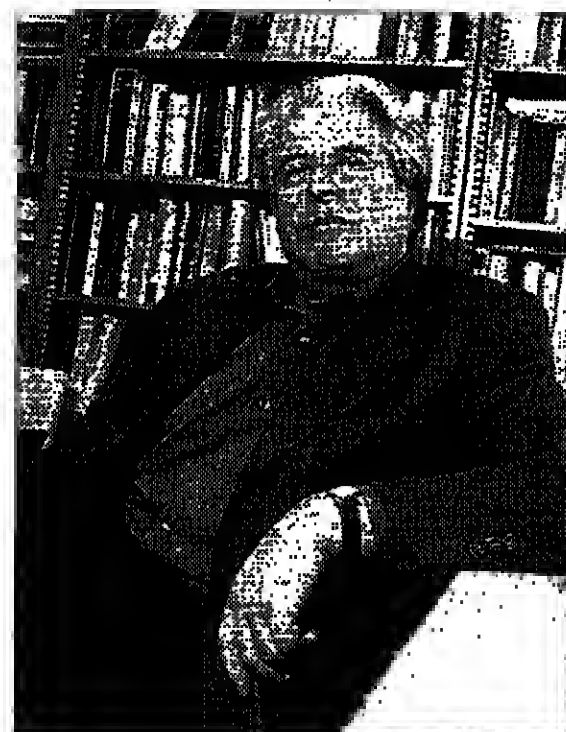
"Some of those people have limousines picking them up," Ms. Kleiman said.

With Holocaust-related battles being fought in the forum of public opinion, the type of corporate firepower brought to bear on this peculiar paper chase can be awesome. Soon after being sued in March, Ford assembled two research teams with a total of 40 to 50 people, said

See HISTORY, Page 12

Defending History

Saul Friedlander, a history professor at the University of Tel Aviv, was approached by the German publisher Bertelsmann for research on the war years. He said he was granted unfettered access to company archives, adding that he felt the company "wanted this whole thing cleaned up."



BRIEFLY

Russian Oppose Missile Pact Talks

RUSSIA'S opposition to a new missile pact with the United States was a major factor in the decision to scrap the talks, according to a senior Russian official. The official said that the Russian government was concerned that the pact would undermine its own missile defense program and that it was not ready to accept the terms of the agreement. The pact was part of a larger effort by the United States to reduce the number of nuclear warheads in the world, but it was seen as a challenge to Russia's nuclear status.

Nigeria to Tell Assembly Saturn

NIGERIA'S government is preparing to tell the National Assembly that it has decided to scrap the Saturn missile program. The decision was made after a series of delays and disagreements between the government and the United States. The Saturn program was a joint venture between the two countries, but it was seen as a challenge to Nigeria's own missile development efforts. The government is expected to announce the decision in the coming weeks.

Zimbabwe's Bid On Strike Force

ZIMBABWE'S government is preparing to bid for a strike force to help it fight against the MDC. The bid is part of a larger effort by the government to strengthen its military and security forces. The MDC is a political party that has been active in the country's recent elections. The government is expected to announce the bid in the coming weeks.

Aegon, Dutch Insurer, To Buy Transamerica

Move Speeds Industry Consolidation in U.S.

By John Tagliabue
New York Times Service

ROME — Aegon NV, the Dutch insurer that has been on a shopping spree to gain size in the fiercely contested life insurance business, announced Thursday it was buying Transamerica Corp. for \$11.1 billion in cash, stock and assumed debt.

The deal would create one of the largest insurance groups in the United States, where the industry has been steadily consolidating.

It also accelerates the reshuffling of the financial services industry in Europe, where insurers have been busily gobbling up competitors to gain size and strength.

As part of the deal, Transamerica, the sixth-largest American life insurer, which also has leasing, real estate and commercial lending units, will be merged with the insurance business of Provident Corp., which Aegon acquired for \$2.6 billion in 1997.

The combined companies will rank among the top three life insurers in the country and will enable them to cut costs annually by about \$150 million beginning in three years.

Aegon's chairman, Kees Storm, told a television interviewer that the company was not finished searching for increased size through acquisitions, notably in Europe, but that it "might take a couple of years to swallow" Transamerica.

"We believe that shareholders, policyholders and distributors of both companies will benefit from the great potential of the combined operation," Mr. Storm said.

Investors appeared to approve of the combination, sending Aegon's share price up 4.70 euros to \$9.30 (\$100.49), on the Amsterdam stock exchange, after

pushing it to an earlier high of 92 euros.

Transamerica's shares soared \$15.125 to close at \$72.75.

Policyholders stood to benefit from having a stronger, more flexible company behind them, analysts said.

Aegon said it would pay \$9.7 billion, including 30 percent cash and 70 percent in stocks, and assume \$1.1 billion in Transamerica debt.

Aegon said it expected the acquisition, which is subject to approval by shareholders of both companies, to be complete by midyear.

"They're going to be a dominant force, period," said Andrew Kligerman, an analyst with Schroder Wertheim & Co. in New York.

"I certainly think scale will be critical going forward, as the industry becomes more price sensitive," he said. "You have got to have scale in a highly competitive market."

He said the high multiple Aegon agreed to pay for Transamerica reflected the "scarcity value" of American life insurers as the industry moves to greater consolidation.

Yet Aegon's Mr. Storm said one motive prompting his company's thrust into North America was that "prices have been more reasonable" there than in Europe, where bitter bidding wars among cash-rich insurers have inflated values.

With Transamerica goes the group's distinctive pyramid-shaped skyscraper on the San Francisco skyline, which the company uses as stationery and in television ads.

As advertising budgets in the insurance business swell, reflecting increased competition, "the real gem in the whole thing is the pyramid," Mr. Kligerman said.

The Aegon deal is but the latest in a wave of mergers and acquisitions that are starting to reshuffle the insurance industry.

The combined value of such activity in 1998 was \$68.7 billion, according to Securities Data Co., a tracking agency.

Thus far this year, mergers and acquisitions have totaled \$18 billion, compared with \$4 billion in the same period of 1998, reflecting an expected quickening of the pace.

The price that Aegon is prepared to pay makes the deal the third largest to date in the American insurance industry.

It is exceeded only by Berkshire Hathaway's acquisition last year of General Re for \$22.3 billion, and the purchase by the American International Group of SunAmerica Inc. for \$17.8 billion.

Lafontaine Speaks, but ECB Doesn't Budge

The Associated Press

FRANKFURT — The European Central Bank kept its key interest rate unchanged at 3 percent during a regular meeting Thursday attended by Germany's finance minister, Oskar Lafontaine, an advocate of lowering rates.

Mr. Lafontaine has steadily argued since taking office last fall that Europe's central bankers should lower rates to help spur growth and ease stubborn unemployment.

In the 11 nations that adopted the single currency, the euro, unemployment stands at an average 10.8 percent. His comments have mostly been met

with strong statements by central bankers defending the bank's independence from political influence.

For the first time Thursday, Mr. Lafontaine made an appeal during Germany's regular biweekly meeting.

But Mr. Lafontaine, who was permitted to speak but not to vote, left the meeting with the governing council still in session. He emphasized that he was leaving before any decisions were made.

The ECB had been widely expected to leave rates unchanged, given the weaker euro. In late trading Thursday, the euro was worth \$1.1205. It ended its initial

trading Jan. 1 at a rate of \$1.1747.

Earlier on Thursday in Brussels, Mr. Lafontaine said there were convincing economic reasons for cutting rates, referring to recent analyses made by European retail banks that said a rate cut would not push up inflation.

Interest rates in the euro bloc were set at a uniform 3 percent before the single currency was inaugurated.

Chancellor Gerhard Schröder's economic policy adviser, Klaus Grottelmann, said Wednesday that he expected the ECB to cut its rate as much as half a percentage point this year.

LVMH-Gucci Talks Come to a Halt

Compiled by Our Staff From Dispatches

MILAN — Talks between the luxury-goods maker Gucci Group NV and LVMH Moët Hennessy Louis Vuitton SA broke down abruptly Thursday as Gucci rejected its French rival's request for a board seat and created an employee stock ownership plan to fend off what it called a "creeping acquisition."

The companies have been in discussions for several weeks as LVMH has increased its equity stake in Gucci to 34.4 percent, missing widespread speculation about a hostile bid for majority or complete ownership. LVMH has repeatedly denied that it intends to mount a full acquisition at this stage, but it did attempt to increase its influence by proposing this month that Umberto Guida, a former manager of the French retailer Promodes SA, take a seat on Gucci's board.

Gucci flatly rejected Mr. Guida's candidacy and said it had set up an employee stock ownership plan under which a trust was granted options to buy 37 million new shares, or 38 percent of Gucci's capital. The trust immediately exercised options covering 20.2 million shares.

"Having the 'eyes and ears' of a competitor on the board would create a serious and unacceptable conflict of interest," said Domenico De Sole, Gucci's president and chief executive. He added that the stock ownership plan would "reassure independent shareholders, as well as employees and suppliers, about the continued independence of management's decision-making."

Fernand de Boer, an analyst at SNS Securities NV in Amsterdam, said, "They are forcing LVMH to make a full takeover bid or lose any power they had over Gucci."

Beyond Gucci, LVMH has recently been expanding into Italy and had already agreed on cooperation with the Italian design house Prada at the same time it bought Prada's 9.5 percent stake in Gucci. It is also talking to Armani SpA about a possible partnership.

The French company has not commented on its plans for Italy in general.

Gucci said it wanted to prevent a major competitor from exercising undue influence and would oppose any attempts by LVMH to control its strategy without making a "full and fair offer for all shares."

In a strongly worded statement, LVMH denounced what it termed an "unacceptable maneuver" and vowed to respond "by all available means."

The company said, "This poison pill is intended to block LVMH from exercising its legitimate rights under the company's statutes to nominate a new independent member to the Gucci supervisory board."

This is the second time in a year that Gucci has taken action against unwanted advances from a rival since it fended off the Prada fashion house last June.

Gucci, led by Mr. De Sole and its Texas-born designer Tom Ford, has become increasingly appealing, with net income rising more than tenfold since the company returned to profit in 1994.

LVMH shares closed lower Thursday at 200.70 euros (\$225.85), down 11.80, or 5.6 percent, while Gucci Group NV was unchanged at 59.50 euros.

Adrian Bellamy, chairman of Gucci's supervisory board, said the group feared that LVMH's stake-building might trigger change-of-control clauses in the employment contracts of Mr. De Sole and Mr. Ford, resulting in their departure from the company. Their partnership has been viewed as key to Gucci's revival since the early 1990s.

Mr. De Sole said he would endorse a full takeover offer if it included a "suitable premium."

"We have stressed to LVMH that a substantial minority position by a major competitor is fraught with potential conflict of interest," Mr. De Sole said.

Gucci's new employee trust

fund's 20.15 million shares give it a 26 percent stake in the company. The fund could buy the remaining 16.85 million shares available to it to match any move by LVMH. Before selling the new shares, Gucci had about 58.3 million shares outstanding.

The shares going to the trust are a special class of noninterest-bearing notes that

have no impact on the company's earnings or assets. The move is designed to stop LVMH from increasing its minority holding without making a full bid.

LVMH said the share option plan gave "exorbitant advantages" to management and was "against the interest of shareholders."

(Bridge News, Bloomberg)

Thinking Ahead / Commentary

So Far, Prophecy of Boom Has the Edge

By Reginald Dale
International Herald Tribune

WASHINGTON — One day when the 1990s were young, two books with totally contradictory forecasts for the decade arrived in the same mail delivery at the International Herald Tribune's headquarters in Paris. The first foretold a world boom, the second a great global crash.

Now that the decade is ending, it is not hard to choose the winner between those predictions: The prize goes to the prophecy of boom, not of doom.

Of course, there have been stock-market "corrections." World economic growth has taken a knock from the financial crisis that began in Asia in 1997 and has spread to Russia and Brazil. The lives of many people in developing countries have been devastated by the crisis.

But we have not witnessed a rerun of the Great Crash of 1929 or the Great Depression of the 1930s. In much of Asia the worst is over, and most of the rest of the world is better off than it was in 1990. Over the somewhat longer term, the last 50 years have seen the greatest advances in eradicating worldwide poverty in human history, according to the Overseas Development Council in Washington.

That has not stopped the prophets of doom from predicting, some perhaps half hoping, that the world is heading

toward catastrophe as a result of such purported evils of globalization as rapacious overinvestment in many industries, deflation, uncontrollable flows of "hot money" seeking maximum returns, and the exploitation of workers.

Although it is fashionable to claim that the labels "left" and "right" no longer apply to today's politics, they can still be a useful rough guide to what people think of the global economy.

Those broadly speaking on the "right" — big business and many economists and investment analysts — are more likely to believe in boom; those on the "left" — labor unions, environmentalists and social activists — more likely to warn of doom.

Most people probably fall broadly in the center, believing that globalization is basically good provided its excesses don't get out of hand and its victims are cared for. Much of the literature on globalization, however, continues to reflect the "left-right" divide.

Now a heavyweight new book has entered the lists on the side of boom. "On the Eve of the 21st Century the world stands on the threshold of a long, strong surge in economic growth and living standards unprecedented in world history," writes Knight Kiplinger in "World Boom Ahead."

Mr. Kiplinger, editor of a Washington newsletter specializing in economic and business forecasts, is among those who rather accurately predicted the course of the 1990s.

Over the next few decades, he writes, the technology-driven boom will bring several billion more people — now toiling in marginal local economies — into a fully integrated world marketplace. They will constitute an immense new global middle class with vast purchasing power, he says, and they will be both tough competitors and avid customers of the advanced nations.

Among Mr. Kiplinger's other predictions: There will be periods of slow or negative growth but no big crash; globalization will help to ensure shorter and milder recessions; although Asian growth will be strongest, the United States will remain the world's economic, technological and political leader throughout most of the next century; and the American model will be emulated and adapted by more nations.

The freeing of human creativity and ambition from the ideologies that stunted economic growth in the past century, notably communism and fascism, makes a doubling or a tripling of 20th-century growth "eminently doable" in the 21st century, Mr. Kiplinger writes.

His forecasts are not pie in the sky. Looking beyond today's problems, they are matched by long-term World Bank projections and the predictions of other influential economists. They may look much better than those of the merchants of doom when 2010, or 2020, rolls around.

E-mail address: Thinkahead@ihb.com

CURRENCY RATES

Cross Rates				Feb. 18				Other Dollar Values				Feb. 18			
	\$	£	¥	CS	Dmk	Grnk	Swede		Peru	Thai	Indo		Peru	Thai	Indo
London (d)	1.6335	—	2.2664	195.72	2.4309	16.8229	468.26	13.007	Argenti	0.9798	Indo	22.31	Argenti	0.9798	Indo
New York (d)	—	1.6355	—	119.685	1.862	6.6205	287.17	7.9445	Austral	1.5744	Indo	22.31	Austral	1.5744	Indo
Tokyo	118.80	194.38	83.47	—	79.49	17.98	N.G.	15.00	Brazilian	1.92	Indo	22.31	Brazilian	1.92	Indo
Toronto	1.4873	2.4313	1.0415	1.241	—	0.224	0.5175	0.1843	Chilean	497.58	Indo	22.31	Chilean	497.58	Indo
Zurich	1.4246	2.3278	—	1.1903	0.9578	21.5008	0.4968	0.1787	Chinese	8.782	Indo	22.31	Chinese	8.782	Indo
One euro	1.1222	0.6871	1.5982	134.40	1.676	7.4348	321.85	8.9275	Czech	2.08	Indo	22.31	Czech	2.08	Indo
One SDR	1.3743	0.8417	1.9582	163.37	2.0685	9.0927	394.53	10.9177	Egypt	2.48	Indo	22.31	Egypt	2.48	Indo

Indonesian rupiah: 1,000 to 1 US dollar. Per 100 N.A.S. not quoted. N.A.S. not available.
S.D.R. Special Drawing Rights of the I.M.F.
Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF (Washington). Other data from Reuters.

Euro Values				Feb. 18			
	£	¥	CS		£	¥	CS
French franc	163.63	—	—	—	163.63	—	—
Italian lira	2,036.36	—	—	—	2,036.36	—	—
Spanish peseta	166.386	—	—	—	166.386	—	—

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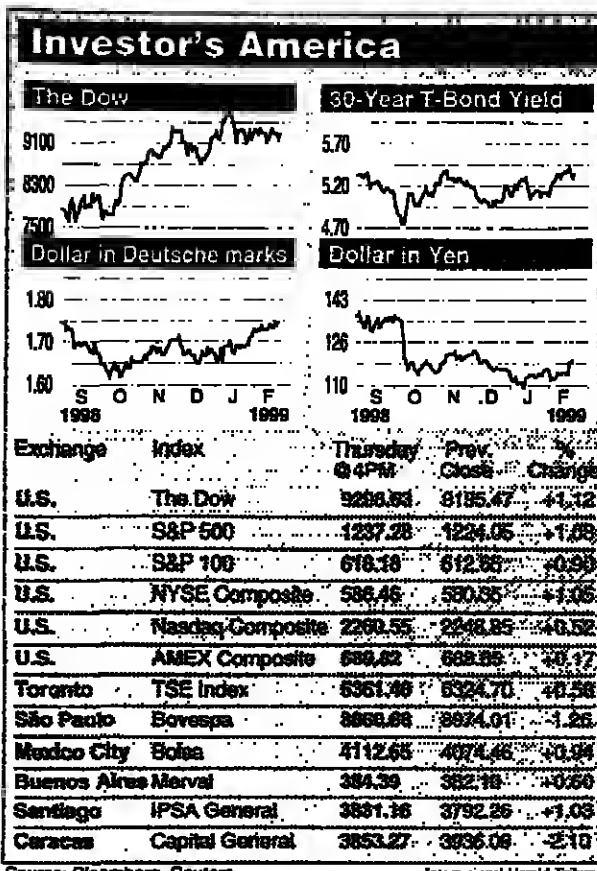
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THE AMERICAS



Chavez to Seek Emergency Tax Measures

By Diana Jean Schemo
New York Times Service

Venezuela's new president said he would seek special authority from Congress to impose tax and spending changes by emergency decree.

In a televised speech Wednesday, President Hugo Chavez said his 15-page package of "enabling laws" was necessary to "take on and overcome the extremely difficult situation that Venezuela is confronting."

His agenda calls for a reduction in government spending, changes in the sales tax and a delay in some foreign debt payments.

Mr. Chavez took office two weeks ago, inheriting a deeply troubled economy from President Ra-

fael Caldera. The government's budget deficit is equivalent to 9 percent of the entire economy, and more than 30 percent of the national budget is earmarked for foreign debt payments this year.

With the price of oil, the country's highest export, at a 25-year low, Venezuela would seem to have little cause for optimism.

Mr. Chavez's announcement amounted to his first policy statement on the economy, and it suggested that the new president would not allow plans for spending cuts to become bogged down in congressional wrangling.

Political and economic analysts in Venezuela said the president's economic project suggested that he wanted to avoid having the country's

financial problems become a bargaining chip with congressional opponents. Some of the measures, such as streamlining government, would appeal to orthodox economists, while others, such as seeking a grace period on foreign debt, are likely to win support among the poor.

But the president appeared determined to tackle the country's dire economic troubles head-on rather than maneuver to gain popularity.

"This is the first time that he's actually addressing Congress on fundamental matters of national importance, and he's doing so fully within the established rules of the democratic process," said Eric Eckvall, a Caracas-based political consultant. Mr. Chavez as an army officer started an unsuccessful coup

against the civilian government of Venezuela in 1992.

The enabling legislation includes measures to reduce a wholesale tax by one percentage point, to 15.5 percent, but to broaden it as a value-added tax, as well as a proposal for a one-year tax of half a percentage point on financial transactions. Under his proposed law, the government would begin collecting income tax on a monthly basis.

Mr. Chavez said his package included "payment deferrals" on foreign debt to reduce the fiscal deficit. He said he would seek to negotiate a "grace period" on foreign debt that had not already been restructured, but he said the package would also include measures to protect foreign and domestic investments.

Dollar Advances As U.S. Economy Keeps Humming

Bloomberg News

NEW YORK — The dollar rose against the yen and the euro Thursday as the U.S. economy continued to show strength.

The dollar also benefited from comments by the Japanese deputy finance minister, Koji Tanami, who joined a chorus of officials this week favoring a weaker yen. Mr. Tanami said the yen's recent decline was "not undesirable" for Japan's sinking economy.

A larger-than-expected rise in U.S. producer prices was the latest sign that the U.S. economy is still steaming. Producer prices rose 0.5 percent in January, the biggest increase in more than two years, beating expectations of a 0.1 percent increase.

The U.S. economy is "outperforming the euro zone and, of course, Japan, and that's favoring the dollar," said Fernando Medina, a currency strategist at Banco Atlantico.

The dollar rose to 119.68 yen from 118.90 yen, while the euro slipped to \$1.1204 from \$1.1240.

Before slumping this week, the yen had gained 27 percent against the dollar since mid-August.

The pound rose to \$1.6355 from \$1.6347, while the dollar rose to 1.4285 Swiss francs from 1.4233 francs.

Insurance Deal Fuels Stock Rally

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Thursday, led by Transamerica, as the Dutch insurer Aegon's agreement to buy the U.S. insurer for \$11.1 billion fueled optimism that others in the industry would combine.

"Whenever you get a merger in a particular sector it makes people think about valuation" of stocks in the industry, said Arnie Owen, managing director of capital markets at Credit Suisse.

The Dow Jones industrial average rose 103.16 points, or 1.1 percent, to 9,298.63. Four stocks rose for every three that fell on the New York Stock Exchange. The Standard & Poor's 500-stock index gained 13.25 points, or 1.1 percent, to 1,237.38, while the Nasdaq composite index climbed 11.64 points, or 0.5 percent, to 2,260.55.

Transamerica led the gains in the

S&P 500, rising 154 to 724. Other insurers that gained on Wall Street included American International Group and Chubb.

Drugmakers rose after Glaxo Wellcome reported second-half earnings that were better than many analysts expected.

Many computer-related stocks gained after falling in the past week.

U.S. STOCKS

Dell Computer, which lost 20 percent in the previous three days, rose 17 1/2 to 83. Intel rose 3 1/2 to 128 1/2, and International Business Machines rose 2 1/2 to 173.

But Microsoft fell 4 1/4 to 145 1/4 as investor concern about threats to the company's dominance from the Linux operating system and the landmark antitrust trial involving the No. 1 maker of software for

personal computers.

Bonds prices fell after reports on producer prices, manufacturing and employment pointed to economic resilience, leaving investors little incentive to load up on bonds.

The price of the 30-year Treasury bond fell 25/32 to 98 10/32, pushing its yield up to 5.36 percent from 5.31 percent.

The government said prices paid to factories, farmers and other producers rose 0.5 percent in January, surpassing analysts' estimates. The government will report Friday on January consumer prices. A separate report showed that fewer workers than expected had applied for first-time jobless benefits, suggesting the labor market remained robust, and the Federal Reserve Bank of Philadelphia indicated manufacturing in the region was rebounding.

(Bloomberg, Reuters)

Bond Buyers Get Behind Argentina

New York Times Service

NEW YORK — In a sign that investors still are willing to lend to the right emerging-market country, Argentina easily sold \$1 billion of new 20-year bonds this week to American and European investors.

But the deal also showed that the investors still were demanding high interest rates and some extra sweeteners.

The bond sale Wednesday, with I.P. Morgan & Co. as the lead underwriter, was one of the largest emerging-market deals since Brazil devalued its currency last month. Mexico also did a \$1 billion deal two weeks ago.

Argentina's success — there were \$2 billion of bids — indicates that the financial-market fallout from the Brazilian devaluation has not been intense. In fact, some analysts are arguing that because of Argentina's tight link to the U.S. dollar and other economic policies, it might be able to "delink" it from Brazil despite the two countries' strong economic ties.

Still, the deal was expensive, although Argentina can get a better deal than other emerging-market countries.

The 20-year bonds were priced to yield 12.177 percent, 6.78 percentage points above the yield on a comparable Treasury bond.

By comparison, however, the J.P. Morgan index of all major emerging-market debt showed a spread of 11.66 percentage points above U.S. Treasury issues as of Wednesday.

Very briefly:

- Mexico's gross domestic product rose 4.5 percent in 1998, President Ernesto Zedillo announced, following growth of 7 percent in 1997 and 5.2 percent in 1996.
- Brazil may adopt voluntary measures to restrict steel exports to the United States, Foreign Minister Luiz Felipe Lampreia said, in response to a plan by the U.S. Commerce Department to impose punitive duties on Brazilian exports.
- IBM Corp. will begin shipping its Netfinity line of network server computers with the free operating system Linux pre-installed alongside Microsoft's Windows NT. Linux is a highly regarded flavor of Unix.
- Northwest Airlines ordered 54 small passenger planes from Canada's Bombardier for about \$1.3 billion and took options to buy 70 more 50-seat Canadair Regional Jet aircraft.
- ABC will move more than 200 of its employees, including most of its top management, from New York to Los Angeles within the next 18 months to consolidate the management of the network at the headquarters of Walt Disney Co., ABC's parent.

Reuters, Bloomberg, NYT, AFP

Duke Energy Woos Chile Utility

Bloomberg News

CHARLOTTE, North Carolina — Duke Energy Corp. offered more than \$2.1 billion Thursday for a 51 percent stake in the Chilean electric utility Empresa Nacional de Electricidad S.A., continuing its aggressive expansion into Latin America.

Duke would pay 250 Chilean pesos (50 cents) a share and 7,500 Chilean pesos for each American depositary receipt, which represent 30 Chilean shares each. Empresa Nacional would not be able to accept the offer unless shareholders changed a bylaw that limits a single investor to a 26 percent stake in the company.

Duke is investing in power plants worldwide as it prepares for intensified competition in its home market.

U. S. STOCK MARKET DIARY

Thursday, Feb. 18

Index	High	Low	Last	Chg
Dow Jones	9298.63	9185.47	9288.84	+103.37
S&P 500	1237.38	1224.05	1237.38	+12.05
Nasdaq	2260.55	2246.85	2260.55	+24.85
AMEX	688.82	688.82	688.82	+8.85

Index	High	Low	Last	Chg
Indust	1001.02	990.23	1001.02	+103.37
Trans	101.38	101.38	101.38	+103.37
Chem	201.45	201.45	201.45	+103.37
Metals	201.45	201.45	201.45	+103.37
Energy	201.45	201.45	201.45	+103.37
Health	201.45	201.45	201.45	+103.37
Telecom	201.45	201.45	201.45	+103.37
Utilities	201.45	201.45	201.45	+103.37
Real Estate	201.45	201.45	201.45	+103.37
SP 100	678.18	678.18	678.18	+6.25

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Frontier Fund 2 for 1 split.					REGULAR				
Investors Fund 2 for 1 split.					Align Comm	Q	.18	3-22	4-10
INCREASED					Alumina Secs	Q	.20	2-26	3-31
Arlco Mfg	A	.12	3-5	3-26	Chesapeake Corp	Q	.22	4-16	5-14
Coca-Cola Co	Q	.16	3-15	9-1	City Holding	Q	.20	3-1	3-15
Energy Fund	Q	.08	3-16	3-1	Community Rk	Q	.23	3-15	4-8

EUROPE

SAS Profit Rose 26% Last Year

Bloomberg News
STOCKHOLM — Scandinavian Airlines System, Europe's sixth-largest airline, posted a 26 percent rise in 1998 pretax profit Thursday as income from plane sales overcame slower business traffic and new airport costs.

SAS's full-year pretax profit rose to 2.83 billion kroner (\$356 million) from 2.23 billion kroner, above analysts' expectations of 2.64 billion kroner. Sales rose to 40.95 billion kroner from 38.93 billion kroner.

The company said its 1999 pretax profit would be "considerably lower." SAS, like rivals such as British Airways PLC, is struggling to fill business seats as companies tighten travel budgets. The airline is also facing competition in Scandinavia for the first time from low-cost carriers.

SAS has said it is cutting capacity, closing some routes and counting on its partnerships within the Star Alliance airline group to help support future earnings.

Profit in 1998 benefited from the sale of aircraft and other assets but was limited by charges for strikes in the second quarter.

The carrier was hurt by problems linked to its move to the new Gardermoen airport in Norway, said Bjorn Bakkevig, an analyst at Oslo Finans in Norway. "There were lots of cancellations at that airport due to bad weather, bad management, bad systems — everything," he said. Delays at the airport were aggravated by the airline's lack of capacity for de-icing planes.

SAS does not report net figures because it is not liable for corporate taxes. Taxes are paid in Sweden, Norway and Denmark by SAS's three parent companies.

'Open-Skies' Talks Resume

After a four-month interruption, British and U.S. officials resumed talks aimed at expanding access to each other's air travel markets, which could help British Airways PLC and AMR Corp.'s American Airlines secure approval of their alliance, Bloomberg News reported from London.

The United States has made open skies a prerequisite for approving the partnership. Carriers in the United States are pushing for greater access to London's Heathrow Airport.

Glaxo Stages Strong Comeback

Rapid Growth of New Drugs Keeps Sales and Profit Intact

Compiled by Our Staff From Dispatches
LONDON — Glaxo Wellcome PLC said Thursday it had emerged from potentially the worst year in its recent history with sales and profits intact and a strong platform for future growth.

Pretax profit slipped just 1 percent, to £2.67 billion (\$4.36 billion), exceeding analysts' forecasts and marking a sharp recovery from a 21 percent plunge in the first half of the year. Excluding the impact of the strong pound, profit rose 5 percent. Sales held steady at £7.98 billion and were up 4 percent at constant exchange rates.

Glaxo said rapid growth of drugs for asthma, migraine and depression had made up for a loss of sales valued at more than £800 million from the expiration in 1997 of patents on two of its most profitable drugs, the ulcer remedy Zantac and Zovirax, a herpes treatment.

Asthma-drug sales alone grew 24 percent in constant-currency terms in 1998, to £2.2 billion, as newer drugs such as Flixotide, Serenit and Flixonase entered the growing \$12 billion asthma market.

"This is a really good performance and certainly above our expectations," said Stephen Ewing, an analyst at WestLB Panmure. He said the biggest surprise was sales growth in respiratory drugs, which made up 27 percent of Glaxo's drug portfolio. "We were looking for 17 percent growth," said Mr. Ewing.

Glaxo's chairman, Sir Richard Sykes, said, "We've come through this year very strongly considering what's happened."

"It's not every year you lose £850 million worth of sales and still come out growing the business. I wouldn't like to have to do that every year."

Glaxo shares slipped 5 pence to close at £20.14. The stock has almost doubled over the past two years as the management reassured the market it could ride out the patent storm and return to double-digit sales and earnings growth in 1999 — a target that was reiterated Thursday. The group now faces no major patent expirations over the next five years.

Avoiding comment on the widespread view that Glaxo will eventually revive plans to merge with SmithKline Beecham PLC, Sir Richard said open the possibility of another merger or acquisition.

(Reuters, Bloomberg)

GERMANY: Pact Averts Strike but Could Be Costly

Continued from Page 1

could leave executives with little incentive to make their own concessions.

Dieter Hundt, president of the German Employers Federation, condemned the "extorted" settlement, saying Mr. Schroeder's jobs program had "collapsed before it began." The next set of roundtable talks is to take place next Thursday.

"The contract will lead altogether to higher labor costs, worsen the competitive situation of our companies and hinder investment," Mr. Hundt said.

To Gesamtmetall and to some private economists, the pay raise recalls IG Metall's aggressive deals of 1992 and 1995. Like this year's pay deal, those took place against the background of a cooling economy. In both previous pay rounds, the union later drew fire for hastening recessions and forcing layoffs. Even economists with union ties warned in recent weeks that a pay raise of more than 3 percent would be unwarranted.

"IG Metall's deal amounts to a 'punch in the face of the jobless,'" said Wolfgang Franz, one of the government's Council of Economic Advisers. "It threatens jobs."

Under the arbitration of Hans-Jochen Vogel, an elder states-

man in Mr. Schroeder's Social Democratic Party, a compromise emerged at 2 A.M. on Thursday, just past the union's midnight "final deadline" to settle on its terms or face a strike beginning March 1.

The contract calls for workers to receive a one-time bonus equivalent to 1 percent of wages coupled with a 3.2 percent pay raise. The package totals 4.2 percent over 14 months.

Finance Minister Oskar Lafontaine applauded the settlement as a "sensible agreement." Mr. Lafontaine, eager to stoke the economy, had urged the unions to seek higher pay settlements to put more money in consumers' pockets.

Trying to inject unprecedented flexibility into the contract, industry wanted the bonus linked to profits, exempting struggling companies. But the union balked because it would have meant a two-tier contract that diluted its centralized wage-setting authority.

The magnitude of the pay increase threatens to keep labor tensions simmering. Initially it applies to the economic powerhouse state of Baden-Wuerttemberg, Germany's automaking heartland with companies such as DaimlerChrysler AG. But because few other states have the prosperity of Baden-Wuerttemberg, Gesamtmetall said it would be difficult to apply the deal elsewhere

as a pilot agreement. "In particular for the Eastern German industry, it is absolutely necessary to lighten the burden," said Werner Stumppe, president of Gesamtmetall. Breaking tradition, Mr. Stumppe said he could not recommend that other districts adopt the same terms as Baden-Wuerttemberg. Mr. Hundt agreed that the contract was "not transferable to other bargaining districts."

IG Metall threatened to strike in any state that did not accept the new terms, including the economically struggling Eastern states. The rest of Europe was also clearly in the union's sights. IG Metall said it feared the new common currency, the euro, would put downward pressure on wages by thrusting low-wage Mediterranean countries into the same bloc as high-wage Germany. With the euro only six weeks old, it wanted to push wages higher before the euro had a chance to push them lower.

The euro "exacerbates the risk of a downward spiral in wage undercutting," according to a declaration signed in December at a pan-European union conference hosted by IG Metall at its Frankfurt headquarters. Joerg Barczynski, an IG Metall spokesman, said the settlement was intended to set "an example" for other European unions.

U.S. Listing Is Planned By Siemens

Compiled by Our Staff From Dispatches
MUNICH — Siemens AG said Thursday it planned to list its shares in the United States by 2001 as it geared up to form trans-Atlantic joint ventures or make acquisitions.

Siemens, an electronics and engineering company that already trades in American depositary receipts, will seek a full listing so it can use its own shares to buy companies in the United States, the chief executive, Heinrich von Pierer, said at its shareholders' meeting.

The company, whose products range from light bulbs to mobile phones to power plants, is asking shareholders for permission to issue as many as 70 million new shares over the next five years, which could raise 4.2 billion euros (\$4.73 billion) to fund acquisitions. The move comes as Mr. von Pierer tries to prove to investors that Siemens can move quickly to increase growth and cut unprofitable units to increase shareholder gains.

"It's not enough to turn the switches; the train also needs to leave the station," said Christian Strenger, a fund manager at Deutsche Gesellschaft fuer Wertpapiere GmbH, the fund unit of Deutsche Bank AG, which holds 6.2 percent of Siemens shares, equal to 1.1 percent of its capital.

"Siemens is changing too slowly," he said, noting that competitors such as General Electric Co. had been faster to cut costs and improve profitability.

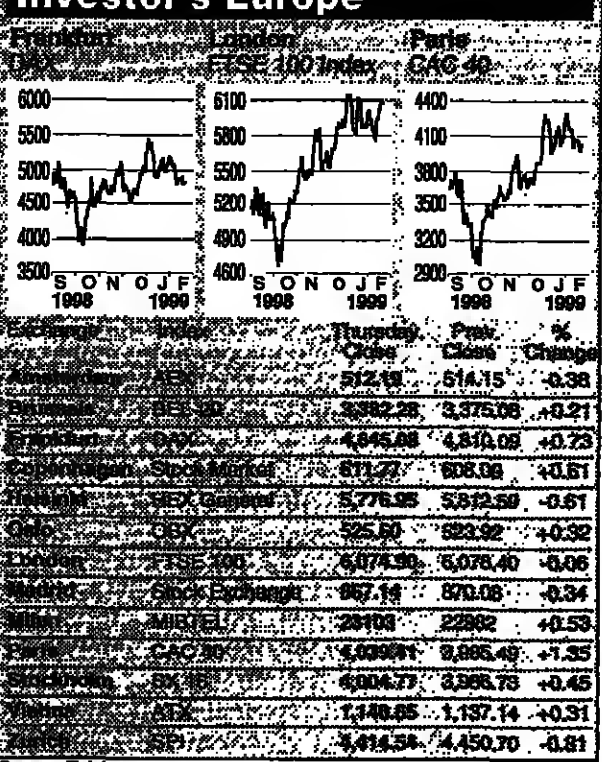
The company will convert to U.S. accounting standards by its financial year 2000 to prepare for the offering, Mr. von Pierer said. It is also moving ahead with plans to spin off its semiconductor business, passive components unit, electron tubes business and electromechanical components business.

Siemens also said Thursday it would not change sales and profit forecasts for this year despite the higher costs from a wage deal with workers.

The wage agreement, which was struck early Thursday and averted a widespread strike, would increase annual costs as much as 900 million Deutsche marks (\$118 million), Mr. von Pierer said before the shareholders' meeting.

(Bloomberg, Reuters)

Investor's Europe



Very briefly:

- Gold Fields Ltd. agreed to a \$1.5 billion merger with Driefontein Consolidated Ltd. in a bid to gain control of some of South Africa's richest gold deposits in the latest of a series of alliances between South African gold companies.
- Hoechst AG, the German drug company, said it remained confident that Kuwait, its main shareholder, would overcome its reservations about the company's planned merger with Rhone-Poulenc SA.
- Audi AG, the luxury-car unit of Volkswagen AG, has increased production of its sporty TT Coupe 25 percent after unexpectedly strong demand led to waiting times of five to seven months for delivery.
- Cegetel, France's private phone operator, cut its rates in reaction to a reduction by France Telecom, keeping its prices 10 percent to 15 percent lower than those of the former state monopoly.
- Britain's retail sales rose a sharp 1.1 percent in January from December as bargain-hunters snapped up cut-price goods at annual sales, the Office for National Statistics said.
- Carrefour SA, France's global food retailer, said its operating profit rose 9.5 percent to 2.55 billion francs (\$437 million), in the second half on strong domestic sales.
- Rank Group PLC, Britain's biggest casino operator and the owner of the Hard Rock chain of restaurants, registered a 24 percent drop in second-half profit, to £120 million (\$196.8 million) as poor weather and declining consumer confidence hampered earnings at its British vacation divisions.
- The European Bank for Reconstruction and Development and International Finance Corp., the private lending arm of the World Bank, will lend \$400 million to companies developing the Chyrag oil field in the Caspian Sea off Azerbaijan.
- Unilever NV, appointed its deputy chairman, Antony Burgmans, as chairman.

WORLD STOCK MARKETS

Thursday, Feb. 18
Prices in local currencies.
In euros for ERM countries.
Tel Aviv

High Low Close Prev.

Amsterdam

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Frankfurt

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Kuala Lumpur

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Kuala Lumpur

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NYSE

Thursday's 4 P.M. Close
The 2,300 most traded stocks of the day.
National prices not reflecting late trades elsewhere.
The Associated Press.

12-Month High	Low	Stock	Div	Yld	PE	100-High	Low	Latest	Chg
		AA							
		ABB							
		ABC							
		ABT							
		ABX							
		ABZ							
		ACB							
		ACC							
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		ACY							
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NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99
HP	100	4.0	20	100	98	99	99
Intel	100	4.0	20	100	98	99	99
Motorola	100	4.0	20	100	98	99	99
Verizon	100	4.0	20	100	98	99	99
AT&T	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
Amazon	100	4.5	15	120	118	119	119
Google	100	4.5	15	120	118	119	119
Yahoo	100	4.5	15	120	118	119	119
Alibaba	100	4.5	15	120	118	119	119
Facebook	100	4.5	15	120	118	119	119
Twitter	100	4.5	15	120	118	119	119
LinkedIn	100	4.5	15	120	118	119	119
Slack	100	4.5	15	120	118	119	119
Zoom	100	4.5	15	120	118	119	119
Dropbox	100	4.5	15	120	118	119	119

Stock	Dr	Yld	PE	High	Low	Open	Close
Netflix	100	4.5	15	120	118	119	119
Spotify	100	4.5	15	120	118	119	119
Twitter	100	4.5	15	120	118	119	119
LinkedIn	100	4.5	15	120	118	119	119
Slack	100	4.5	15	120	118	119	119
Zoom	100	4.5	15	120	118	119	119
Dropbox	100	4.5	15	120	118	119	119
Evernote	100	4.5	15	120	118	119	119
OneDrive	100	4.5	15	120	118	119	119
Google Drive	100	4.5	15	120	118	119	119

Stock	Dr	Yld	PE	High	Low	Open	Close
Netflix	100	4.5	15	120	118	119	119
Spotify	100	4.5	15	120	118	119	119
Twitter	100	4.5	15	120	118	119	119
LinkedIn	100	4.5	15	120	118	119	119
Slack	100	4.5	15	120	118	119	119
Zoom	100	4.5	15	120	118	119	119
Dropbox	100	4.5	15	120	118	119	119
Evernote	100	4.5	15	120	118	119	119
OneDrive	100	4.5	15	120	118	119	119
Google Drive	100	4.5	15	120	118	119	119

Stock	Dr	Yld	PE	High	Low	Open	Close
Netflix	100	4.5	15	120	118	119	119
Spotify	100	4.5	15	120	118	119	119
Twitter	100	4.5	15	120	118	119	119
LinkedIn	100	4.5	15	120	118	119	119
Slack	100	4.5	15	120	118	119	119
Zoom	100	4.5	15	120	118	119	119
Dropbox	100	4.5	15	120	118	119	119
Evernote	100	4.5	15	120	118	119	119
OneDrive	100	4.5	15	120	118	119	119
Google Drive	100	4.5	15	120	118	119	119

Stock	Dr	Yld	PE	High	Low	Open	Close
Netflix	100	4.5	15	120	118	119	119
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LinkedIn	100	4.5	15	120	118	119	119
Slack	100	4.5	15	120	118	119	119
Zoom	100	4.5	15	120	118	119	119
Dropbox	100	4.5	15	120	118	119	119
Evernote	100	4.5	15	120	118	119	119
OneDrive	100	4.5	15	120	118	119	119
Google Drive	100	4.5	15	120	118	119	119

AMEX

Thursday's 4 P.M. Close
The 150 most traded stocks of the day.
up to the closing on Wall Street.
The Associated Press.

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

NYSE

Thursday's 4 P.M. Close
(Continued)

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

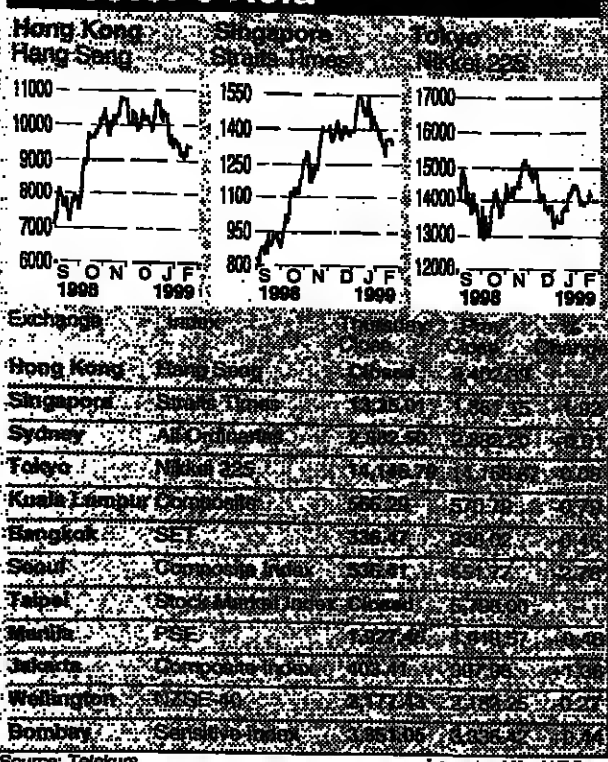
Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
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Stock	Dr	Yld	PE	High	Low	Open	Close
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Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

Stock	Dr	Yld	PE	High	Low	Open	Close
IBM	100	4.5	15	120	118	119	119
Microsoft	100	3.5	25	100	98	99	99
Apple	100	4.0	20	100	98	99	99
Oracle	100	4.0	20	100	98	99	99
Sun	100	4.0	20	100	98	99	99

ASIA/PACIFIC

Investor's Asia



Strategic Moves by Qantas Pay Off in 34% Profit Rise

SYDNEY — Qantas Airways Ltd. said Thursday its first-half profit jumped 34 percent despite the crippling effect of Asia's financial troubles on other airlines in the region.

The result seemed to vindicate a campaign that Qantas launched last year to get out of Asian routes and replace them with increased traffic to the United States and Europe.

Some analysts had still been skeptical that the airline could continue improving its profit as the Asian crisis savaged balance sheets of other airlines in the region.

But their skepticism appeared to have been belied by the result announced Thursday — a net profit of 222.9 million Australian dollars (\$141.7 million) for the six months that ended Dec. 31, up from 165.8

Honda's 3d-Quarter Profit Climbed 16% on U.S. Sales

Demand for Big Cars Offsets Decline in Revenue

TOKYO — Honda Motor Co. said Thursday its third-quarter group net income rose 16 percent to a record for the period as sales of more profitable cars in the United States compensated for a decline in revenue.

Japan's third-largest carmaker posted a profit of 75.5 billion yen (\$63.8 million) for the quarter that ended Dec. 31, compared with 65.2 billion yen a year earlier. Sales fell 4 percent, to 1.49 trillion yen from 1.55 trillion yen.

Honda compensated for a drop in sales in Japan and Europe by selling its more profitable Odysseys and Acura TL luxury sedans in the United States, where rising wages prompted Americans to buy bigger cars. Honda makes as much as \$4,000 for every Acura TL and Odyssey it sells, compared with \$1,000 to \$2,000 on an Accord car, said Peter Boardman, an auto analyst at Warburg Dillon Read in Tokyo.

Hoys May Sell 965 U.S. Screens

SYDNEY — Hoys Cinema Group Ltd. said Thursday it had hired an investment banker to handle the possible sale of its 965 screens in the United States or any potential merger or acquisition.

The company is scheduled to release its half-year earnings next week, and a spokesman said that until then it would not comment further on its retention of B.T. Wolfensohn, a unit of Bankers Trust Corp., to handle the matter.

Peter Ivany, chief executive officer of Hoys, said the strategic review of operations may not result in any change to the company's business.

Big Losses At Nomura Under Study

Compiled by Our Staff From Dispatches

TOKYO — Regulators are investigating Nomura Securities Co., a leading Japanese brokerage, an official said Thursday.

The Securities and Exchange Surveillance Commission was reported to be looking into Nomura's huge overseas losses. The official at the securities watchdog agency confirmed there was an investigation in progress but refused to give details.

"We would like to refrain from disclosing the purpose of the inspection, as it could trigger speculation," he said.

Nomura said the commission's inspection was routine. "Our understanding is that it is standard procedure," Aizuko Toda, a spokeswoman, said.

The commission will investigate Nomura's asset-management business, U.S. operations and risk-management systems, according to a report in the Mainichi newspaper.

Nomura has fallen on hard times amid Japan's financial troubles and the global economic downturn. It reported a group net loss of 207 billion yen (\$1.75 billion) for the six months that ended Sept. 30 after huge trading losses on Russian government bonds and U.S. bonds backed by commercial mortgages.

The supervisory agency requires securities companies to have adequate capital to cover their financial risks. A new formula being considered would require brokerages to hold capital against loan guarantees they have extended to affiliates. That may prompt brokerages to liquidate unprofitable operations to improve their finances, the newspaper said.

Very briefly:

- Bank Negara, Malaysia's central bank, said all investments in property were exempt from exit taxes and capital-gains taxes recently imposed on foreign investors in return for allowing them to repatriate their capital.
- Japan's leading diffusion index, which seeks to forecast business activity three to six months in advance, was revised downward to 60 percent from 75 percent for December, Japan's economy is expected to shrink 2.2 percent in the year ending March 31.
- Toyo Trust & Banking Co. of Japan said it was negotiating with Chase Manhattan Corp. of the United States regarding a cooperative pact covering its securities-custodian business.
- The World Trade Organization warned the Philippines that its recent tariff increases could violate WTO policy, the Philippine trade secretary, Jose Pardo, said.
- Mitsukoshi Ltd., the Japanese luxury department-store chain, expects a pretax loss of 800 million yen (\$6.8 million) for the year ending Feb. 28, reversing an earlier forecast of a pretax profit of 1.4 billion yen.
- Japan Airlines Co. will increase its charter flights between the Japanese city of Fukuoka and the U.S. resort islands of Guam and Saipan.

HEALTHCARE EMERGING GROWTH FUND

Second Extraordinary General Meeting

- Amendment of the notice period for meetings of shareholders as stated in Article 12 of the articles of association from "Notices setting forth the agenda shall be sent by mail at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register of Shareholders" to "Notices setting forth the agenda shall be sent by mail at least twenty-one (21) days prior to the meeting to each shareholder at the shareholder's address in the Register of Shareholders".
- Amendment of the redemption procedure as stated in the first seven paragraphs of Article 21 of the Articles of Association to "Any shareholder may request the redemption of all or part of his shares by the Corporation subject to such advance notice as the board of directors may determine. The Corporation may require any request for redemption to be given by up to 5 bank business days notice prior to the date on which the redemption shall be effective".

Advertisement

For information please contact, Lyora Rabin: Fax (33-1) 41 43 92 12 or e-mail: fund@hnt.com

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WORLD ROUNDUP

Star Goalie's Father Abducted in Mexico

SOCER Jorge Campos, the Mexican national team goalkeeper, returned to Mexico on Thursday after his father was kidnapped in Acapulco the day before.

Alvaro Campos was seized from a soccer field named after his son, according to relatives who spoke on condition of anonymity.

There were six or eight people with their faces uncovered, but nobody recognized them, a relative said. "They took out their rifles and took him aboard a pickup truck."

Jorge Campos had been in Hong Kong with the Mexican team.

• Carlo Broli, a prosecutor, investigating possible match-fixing in an Italian League game between Venezia and Bari said Thursday that he had found no evidence of wrongdoing. Venezia won on a late goal by Tulin, who said that he was told by a teammate not to score, "because it was better that the game ended in a 1-1 draw." (AP)

NFL Veterans Are Cut

FOOTBALL Cornelius Bennett, a five-time Pro Bowl player who led the Atlanta Falcons in tackles in their Super Bowl season, was released Wednesday. Bennett, 33, was to earn \$3.7 million.

• Denver released safety Steve Atwater a day after making Dale Carter the highest-paid cornerback in NFL history. Atwater, 32, has played in eight Pro Bowls. The Broncos signed Carter to a six-year, \$35 million contract.

• Chris Calloway, who led the New York Giants in receptions the last four years, was released in a salary cap move after the team signed linebacker Corey Winder to an \$11.2 million deal. Calloway was due a \$500,000 bonus March 1.

• Philadelphia signed Doug Pederson, a 31-year-old quarterback who has thrown just 32 regular season passes, to a \$4.5 million, three-year contract. Pederson was Brett Favre's backup in Green Bay the last four seasons.

• Clyde Simmons, 35, a free-agent defensive end who is 10th in NFL history with 114 sacks, signed a two-year, \$4 million deal with the Chicago Bears. Simmons, spent last season with Cincinnati.

• The New York Jets declined to match Jacksonville's \$14.4 million offer to tight end Kyle Brady. (AP)

Joint Will Be Jumping

ATHLETICS In the latest attempt to make athletics more appealing to Americans — or more like figure skating — women's high jumpers will perform to music Friday at the D.C. Invitational meet in Washington. The music, chosen by the jumper, will start when she is introduced and play until the jump is completed. There will be no deductions for "artistic impression." (AP)

Rookie Inspires Kings To Defeat SuperSonics

The Associated Press

It was a wild night in the West, and it seemed as if it would never end.

Overtime in Seattle ended with the Sonics absorbing their first loss of the season and triple-overtime in Vancouver ended with the Grizzlies wondering if they would ever play a regular 48-minute game again.

Rookie Jason Williams hit a 3-pointer to key a 9-0 run in overtime that lifted

NBA ROUNDUP

the Sacramento Kings to a 109-106 victory Wednesday night over the Sonics, until then the last remaining undefeated team.

Sacramento was playing its third game in three nights, but the strain did not show in overtime.

After Gary Payton gave Seattle a 96-94 lead, a dunk by Chris Webber tied the game before Williams, a rookie sensation from Florida, hit his three-point shot.

Vlade Divac followed with a short hook and Webber scored on a reverse dunk for a 103-96 advantage with two minutes left, and the Sonics got no closer than three points the rest of the way.

Webber led the Kings with 23 points. Lawrence Funderburke had 16 points and Williams had 12.

"I don't know if anybody is playing better in this league than Webber," said Rick Adelman, the Kings coach. "He was just a man out there."

Payton led the Sonics with 34 points and Hersey Hawkins had 18.

"I can't be the only person looking to score," Payton said. "Other people need to know they have to score too."

Celtics 131, Grizzlies 129 The Celtics-Grizzlies game lasted 3 hours and 49 minutes.

Another rookie, Paul Pierce of the Celtics, scored seven of his 26 points in the third overtime period as Boston beat Vancouver just one night after the Grizzlies went into double-overtime to beat the Los Angeles Clippers.

"I've never been involved in a game where a third team makes so many big plays," said Rick Pitino, the Celtics coach. "It was really like a Rocky fight." Shareef Abdur-Rahim had a career-high 39 points for Vancouver.

Timberwolves 118, Rockets 102 In Minneapolis, Stephen Marbury scored a career-high 40 points to go with 12 assists and zero turnovers in 40 minutes. He hit 16 of 24 shots, tying a team record for baskets, to lead the Wolves into a second-place tie with the Rockets in the Midwest Division.

"Not only was it a big win, it was a big win for me," Marbury said. "Because I haven't been being as aggressive as in the past, for my own reasons. Tonight was just my night."

Kevin Garnett had 23 points, nine assists and nine rebounds.

Suns 79, Spurs 76 Jason Kidd had 14 points, 15 rebounds and 11 assists, his second triple-double in three nights, and Phoenix outplayed San Antonio down the stretch despite playing its third game in three nights.

Phoenix looked like the fresher team as the Suns outscored the Spurs, 22-8, in the fourth quarter at the Alamodome.

The Spurs missed their last six shots, including two with a chance to tie in the last 10 seconds. One was a three-point attempt by David Robinson; the other was a two-point try by Tim Duncan.

Lakers 101, Mavericks 88 Shaquille O'Neal scored 24 points, Kobe Bryant had 23 points and nine rebounds, Eddie Jones added 20 points and Derek Fisher had a season-high 12 points, five rebounds and six assists as the Lakers dealt the visiting Mavericks their sixth straight loss.

Magic 96, Wizards 85 In Orlando, Nick Anderson scored 26 points and the Atlantic Division-leading Magic held the struggling Wizards to 34 points in the second half.

Penny Hardaway continued to struggle for the Magic. He did not play in the fourth quarter, finishing off of 11 from the field for four points in 31 minutes.

Heat 91, Pistons 80 Tim Hardaway had 29 points and nine assists as Miami won in Detroit to ruin its winning streak to four games.

Warriors 95, Hornets 87 Bimbo Coles scored 11 of his 13 points in the fourth period and Golden State won its third straight. John Starks' 14 points led the host Warriors, who lost their first five games of the season.

Bucks 91, Bulls 83 In Milwaukee, the Bucks snapped a 12-game losing streak to the Bulls that dated to April 23, 1995.

Trail Blazers 100, Nuggets 85 In Portland, Walt Williams made five three-point shots. Isaiah Rider scored 19 points and the Blazers opened leads of 22 points in the second quarter and 29 in the third.



Bison Dele of the Detroit Pistons, right, fouling P.J. Brown of the Miami Heat. Alonzo Mourning of Miami, left, looks on. Miami triumphed, 91-80.

Yankees Get Clemens in Trade With Blue Jays

The Associated Press

TAMPA, Florida — The New York Yankees acquired Roger Clemens, a five-time Cy Young Award winner, from the Toronto Blue Jays in a trade Thursday.

The Yankees sent David Wells, who pitched a perfect game for them last year, along with Graeme Lloyd and Homer Bush to the Blue Jays in the deal.

Clemens agreed to the trade, but did not get an extension to his contract, which has two years to run and calls for him to be paid \$16.1 million.

"I'm a little emotional right now," Wells said at the Yankees' training camp in Tampa, Florida. "Give me a couple days."

The Yankees, who won a record 125 games last season on their way to winning the World Series, made the trade the day their preseason training camp opened.

Wells pitched his perfect game against the Minnesota Twins last season. He had clashed with the Yankees' owner, George Steinbrenner, and the team's manager, Joe Torre, at times in 1997, but last year became one of the team's most effective pitchers.

"There's some shock in that room right now," Torre said of his clubhouse. "It's something you have to get used to. That is what the game is all about."

Before Thursday, New York had retained 24 of the 25 players who helped win its second World Series title in three seasons, only letting go of outfielder Tim Lincecum.

Clemens has always been one of Steinbrenner's favorite players, and is the only five-time winner of the Cy Young Award, presented annually to the best pitcher in each of the major leagues.

"Roger Clemens is a nonstop Hall of Famer," Torre said. "The last two years, what he's done, it's incredible."

The 36-year-old right-hander went 20-6 last season, leading the American League in earned-run average (2.65) and strikeouts (271), and tying for the lead in victories. His career record is 233-124 in 15 seasons.

Clemens exercised a clause in his contract with the Blue Jays and demanded a trade Nov. 27, but withdrew the demand Dec. 22, criticizing Gerry Hunsicker, the Houston Astros' general manager, who complained when Clemens requested a \$27.4 million, one-year contract extension.

Toronto had sought several young prospects from teams when it shipped Clemens during baseball's winter meetings in December. On Wednesday, the Blue Jays lowered their demands, and the Yankees could not say no. New York's general manager, Brian Cashman, said Toronto's offer "made my knees buckle."

• Andres Galaraga, the Atlanta Braves' first baseman, has a cancerous tumor in his back and will miss the 1999 season. The tumor is in a small bone in Galaraga's back. Dr. Lee Kelley said Thursday, Kelley said the potential for recovery is good.

Buckeyes Gain Rare Victory at Indiana

The Associated Press

Ohio State won at Indiana University for only the third time ever as the Buckeyes reached 20 victories for the season.

The Buckeyes, ranked No. 11, beat the No. 19 Hoosiers, 69-67, Wednesday to improve to 20-6 overall, with 12 more victories than last season. In its first season under Jim O'Brien as coach, Ohio State is 10-3 in the Big Ten.

Ohio State again turned to junior guard Scoonie Penn, who transferred to the university last season from Boston College along with O'Brien. Penn got all but two of his 20 points in the second half and scored the Buckeyes' last 8 of the game.

"It was one of those situations where the coach kind of looked at me again like, 'Go ahead and see what happens.' I knew I had to step up my game a little bit," said Penn, who made three free throws in the final minute.

Larry Richardson had a career-high 15 points for the Hoosiers (19-9, 6-7), who led, 65-61, when Penn took over.

No. 1 Duke 85, Florida State 59 Elton Brand had 23 points and 16 rebounds as the Blue Devils (26-1, 14-0) won their 21st straight game and earned their sixth Atlantic Coast Conference regular-season title in the 1990s. It was Duke's 11th straight road victory. Damous Anderson

had 16 points for the Seminoles (12-13, 5-8), who lost their sixth straight league game.

No. 3 Auburn 81, Vanderbilt 63 Chris Porter had 19 points and 11 rebounds as the Tigers (25-1, 13-1) clinched at least a share of the Southeastern Conference title. The Tigers, who have not won the

SEC since the 1959-60 season, need to win only one of their two remaining games to claim the title outright.

Dan Langhi had 29 points and nine rebounds for visiting Vanderbilt (12-13, 3-10).

No. 6 Kentucky 92, Georgia 71 Heshimu Evans and Wayne Turner each scored 13 points for the Wildcats (21-6, 10-3 SEC), who finished with a 49-24 rebounding edge. D. A. Layne, a freshman, led the visiting Bulldogs (14-11, 5-8) with 24 points.

No. 9 Cincinnati 82, N.C. Charlotte 69 Pete Micekel scored 23 points as the Bearcats (22-4, 9-4 Conference USA) ended their three-game losing streak, the longest in coach Boh Huggins' 10 seasons. Galen Young scored 17 points for visiting Charlotte (15-10, 7-6).

No. 14 North Carolina 82, NC State 53 Kris Lang and Jason Capel, both freshmen, each scored 15 points as the Tar

Heels (20-7, 8-5 ACC) reached the 20-victory mark for an NCAA-record 29th consecutive season. Ron Kelley had 10 points for the visiting Wolfpack (15-11, 5-9), which led, 42-35, with 11:35 left, but went scoreless for 6:08.

No. 16 UCLA 68, Southern California 63 Baron Davis scored 17 points, including a decisive basket with 36 seconds remaining, as the Bruins (18-7, 9-5 Pac-10) snapped a two-game losing streak and beat their crosstown rival. Brian Scalabrine had 20 points for the visiting Trojans (12-11, 4-10) but was shot out in the final 15 minutes.

No. 21 Syracuse 71, Notre Dame 65 Evan Thomas had 22 points, 16 rebounds and six blocked shots as the Orangemen (18-8, 9-7 Big East) improved their home conference record this season to 3-5. David Graves had 16 points for the Fighting Irish (12-14, 6-9).

Toledo 66, No. 25 Miami of Ohio 63 Justin Hall scored 17 points and the Rockets (18-6, 10-6 Mid-American Conference) kept the pressure on Miami's Wally Szczerbiak, the fifth leading scorer in Division I basketball. Chad Kamsra made four free throws over the final 20 seconds for Toledo. Szczerbiak, who missed a 3-point try at the buzzer for the visiting RedHawks (19-5, 14-2), finished with 18 points, well below his 24.2 average.

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Succulent Indian 200m. from Notre-Dame. Indian food, air-conditioned, tables, menus 12/14/16/18/20/22/24/26/28/30/32/34/36/38/40/42/44/46/48/50/52/54/56/58/60/62/64/66/68/70/72/74/76/78/80/82/84/86/88/90/92/94/96/98/100/102/104/106/108/110/112/114/116/118/120/122/124/126/128/130/132/134/136/138/140/142/144/146/148/150/152/154/156/158/160/162/164/166/168/170/172/174/176/178/180/182/184/186/188/190/192/194/196/198/200/202/204/206/208/210/212/214/216/218/220/222/224/226/228/230/232/234/236/238/240/242/244/246/248/250/252/254/256/258/260/262/264/266/268/270/272/274/276/278/280/282/284/286/288/290/292/294/296/298/300/302/304/306/308/310/312/314/316/318/320/322/324/326/328/330/332/334/336/338/340/342/344/346/348/350/352/354/356/358/360/362/364/366/368/370/372/374/376/378/380/382/384/386/388/390/392/394/396/398/400/402/404/406/408/410/412/414/416/418/420/422/424/426/428/430/432/434/436/438/440/442/444/446/448/450/452/454/456/458/460/462/464/466/468/470/472/474/476/478/480/482/484/486/488/490/492/494/496/498/500/502/504/506/508/510/512/514/516/518/520/522/524/526/528/530/532/534/536/538/540/542/544/546/548/550/552/554/556/558/560/562/564/566/568/570/572/574/576/578/580/582/584/586/588/590/592/594/596/598/600/602/604/606/608/610/612/614/616/618/620/622/624/626/628/630/632/634/636/638/640/642/644/646/648/650/652/654/656/658/660/662/664/666/668/670/672/674/676/678/680/682/684/686/688/690/692/694/696/698/700/702/704/706/708/710/712/714/716/718/720/722/724/726/728/730/732/734/736/738/740/742/744/746/748/750/752/754/756/758/760/762/764/766/768/770/772/774/776/778/780/782/784/786/788/790/792/794/796/798/800/802/804/806/808/810/812/814/816/818/820/822/824/826/828/830/832/834/836/838/840/842/844/846/848/850/852/854/856/858/860/862/864/866/868/870/872/874/876/878/880/882/884/886/888/890/892/894/896/898/900/902/904/906/908/910/912/914/916/918/920/922/924/926/928/930/932/934/936/938/940/942/944/946/948/950/952/954/956/958/960/962/964/966/968/970/972/974/976/978/980/982/984/986/988/990/992/994/996/998/1000/1002/1004/1006/1008/1010/1012/1014/1016/1018/1020/1022/1024/1026/1028/1030/1032/1034/1036/1038/1040/1042/1044/1046/1048/1050/1052/1054/1056/1058/1060/1062/1064/1066/1068/1070/1072/1074/1076/1078/1080/1082/1084/1086/1088/1090/1092/1094/1096/1098/1100/1102/1104/1106/1108/1110/1112/1114/1116/1118/1120/1122/1124/1126/1128/1130/1132/1134/1136/1138/1140/1142/1144/1146/1148/1150/1152/1154/1156/1158/1160/1162/1164/1166/1168/1170/1172/1174/1176/1178/1180/1182/1184/1186/1188/1190/1192/1194/1196/1198/1200/1202/1204/1206/1208/1210/1212/1214/1216/1218/1220/1222/1224/1226/1228/1230/1232/1234/1236/1238/1240/1242/1244/1246/1248/1250/1252/1254/1256/1258/1260/1262/1264/1266/1268/1270/1272/1274/1276/1278/1280/1282/1284/1286/1288/1290/1292/1294/1296/1298/1300/1302/1304/1306/1308/1310/1312/1314/1316/1318/1320/1322/1324/1326/1328/1330/1332/1334/1336/1338/1340/1342/1344/1346/1348/1350/1352/1354/1356/1358/1360/1362/1364/1366/1368/1370/1372/1374/1376/1378/1380/1382/1384/1386/1388/1390/1392/1394/1396/1398/1400/1402/1404/1406/1408/1410/1412/1414/1416/1418/1420/1422/1424/1426/1428/1430/1432/1434/1436/1438/1440/1442/1444/1446/1448/1450/1452/1454/1456/1458/1460/1462/1464/1466/1468/1470/1472/1474/1476/1478/1480/1482/1484/1486/1488/1490/1492/1494/1496/1498/1500/1502/1504/1506/1508/1510/1512/1514/1516/1518/1520/1522/1524/1526/1528/1530/1532/1534/1536/1538/1540/1542/1544/1546/1548/1550/1552/1554/1556/1558/1560/1562/1564/1566/1568/1570/1572/1574/1576/1578/1580/1582/1584/1586/1588/1590/1592/1594/1596/1598/1600/1602/1604/1606/1608/1610/1612/1614/1616/1618/1620/1622/1624/1626/1628/1630/1632/1634/1636/1638/1640/1642/1644/1646/1648/1650/1652/1654/1656/1658/1660/1662/1664/1666/1668/1670/1672/1674/1676/1678/1680/1682/1684/1686/1688/1690/1692/1694/1696/1698/1700/1702/1704/1706/1708/1710/1712/1714/1716/1718/1720/1722/1724/1726/1728/1730/1732/1734/1736/1738/1740/1742/1744/1746/1748/1750/1752/1754/1756/1758/1760/1762/1764/1766/1768/1770/1772/1774/1776/1778/1780/1782/1784/1786/1788/1790/1792/1794/1796/1798/1800/1802/1804/1806/1808/1810/1812/1814/1816/1818/1820/1822/1824/1826/1828/1830/1832/1834/1836/1838/1840/1842/1844/1846/1848/1850/1852/1854/1856/1858/1860/1862/1864/1866/1868/1870/1872/1874/1876/1878/1880/1882/1884/1886/1888/1890/1892/1894/1896/1898/1900/1902/1904/1906/1908/1910/1912/1914/1916/1918/1920/1922/1924/1926/1928/1930/1932/1934/1936/1938/1940/1942/1944/1946/1948/1950/1952/1954/1956/1958/1960/1962/1964/1966/1968/1970/1972/1974/1976/1978/1980/1982/1984/1986/1988/1990/1992/1994/1996/1998/2000/2002/2004/2006/2008/2010/2012/2014/2016/2018/2020/2022/2024/2026/2028/2030/2032/2034/2036/2038/2040/2042/2044/2046/2048/2050/2052/2054/2056/2058/2060/2062/2064/2066/2068/2070/2072/2074/2076/2078/2080/2082/2084/2086/2088/2090/2092/2094/2096/2098/2100/2102/2104/2106/2108/2110/2112/2114/2116/2118/2120/2122/2124/2126/2128/2130/2132/2134/2136/2138/2140/2142/2144/2146/2148/2150/2152/2154/2156/2158/2160/2162/2164/2166/2168/2170/2172/2174/2176/2178/2180/2182/2184/2186/2188/2190/2192/2194/2196/2198/2200/2202/2204/2206/2208/2210/2212/2214/2216/2218/2220/2222/2224/222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SPORTS

Lowly Islanders Ice the Penguins

The Associated Press
The struggling New York Islanders snapped two streaks with one surprising victory.
When the Islanders beat visiting Pittsburgh, 3-1, Wednesday, it ended their own

NHL ROUNDUP

five-game winless streak and the Pirates' 10-game run of victories.

For the Islanders, Robert Reichel scored his 200th career goal and Tommy Salo was steady in net.

It certainly was better than a 3-3 tie against Tampa Bay on Monday, an outcome that prompted the Islanders' star Zigmund Palffy to criticize his teammates.

"We didn't have that intensity against Tampa Bay that we did tonight," said captain Trevor Linden, who also scored. "It's easy to deal with games like tonight, knowing that Pittsburgh was coming in with 10 straight wins. It's situations like the one against Tampa Bay that are tough to deal with."

Oilers 6, Mighty Ducks 2
Alex Selivanov scored his first three goals for Edmonton in the third at Anaheim.

Stars 2, Panthers 1 In Dallas, Jamie Langenbrunner broke up a scoreless game in the third period and Darian Hatcher later added a power-play goal as the Stars won their fourth straight.

Devils 7, Lightning 1 Denis Pederson and Jason Amore scored 51 seconds apart in the

first period and New Jersey extended visiting Tampa Bay's winless streak to 10 games.

Sergei Brylin, Petr Sykora, Scott Niedermayer, Brendan Morrison and Jay Pandolfo also scored as the Devils posted their most lopsided victory this season.

Maple Leafs 3, Sabres 2 Mats Sundin's third career overtime goal gave Toronto its first victory in Buffalo in eight years. Steve Thomas stole the puck behind the Buffalo net and pushed it to Sundin in front for the winning goal with 56 seconds left in overtime.

Canadiens 6, Rangers 3 Montreal continued its domination of the Rangers. Martin Rucinsky and Jonas Hoglund connected 18 seconds apart in the first period as the Canadiens won their fifth straight over New York, including four this season.

Red Wings 3, Sharks 1 Brendan Shanahan scored the go-ahead goal and Detroit's Chris Osgood was brilliant in goal as the Red Wings won their fifth straight.

Vycheslav Kozlov and Doug Brown also scored for Detroit.

Blackhawks 4, Canucks 0 Jocelyn Thibault stopped 29 shots for his fourth shutout of the season, and Chad Kilger scored twice. Dong Gilmour and Tony Amonte each had a goal and an assist for host Chicago, which had only 14 shots on Vancouver goalie Garth Snow.



Saeed Anwar, hitting a six, watched by Nayan Mongia, India's wicket keeper.

Anwar Stands Firm for Pakistan

Agence France-Presse

CALCUTTA — Saeed Anwar, a Pakistan opening batsman, batted through the whole of his team's innings and Javagal Srinath, an Indian pace bowler, took eight wickets Thursday as momentum shifted back and forth on the third day of the first match in the Asian Test series.

Anwar finished on 188 not out in a

Pakistan total of 316 all out. India then made four for no wicket in its second innings and needs to make 279 to win.

Pakistan was 263 for three wickets shortly after tea when Srinath dismissed Yusuf Youhana for 59 to end a stand of 115. Srinath then dismissed Shahid Afridi for zero with the next ball as Pakistan's batting began to crumble.

Inter, With 3 Sent Off, Crashes to Cup Defeat

Parma Pounces on Defense Error to Set Up Victory

Compiled by Our Staff From Dispatches

Mircea Lucescu, the Inter Milan coach, Thursday blamed the referee for his team's 2-0 Italian Cup loss to Parma the night before. Inter finished with eight men after three of its players were sent off for disrupting Parma's first goal.

The semifinal first leg was deadlocked until the 77th minute, when Inter players thought they should have been awarded a free kick.

SOCCER ROUNDUP

Stefano Braschi, the referee, waved play on to the evident surprise of a static Inter defense that allowed Juan Veron to volley the ball into the goal from a pass by Faustino Asprilla.

Inter players surrounded the referee. Giuseppe Bergomi, the captain; fellow defender Francesco Colaninno and Javier Zanetti, a midfielder, were sent off for protesting.

Parma laid siege to the Inter goal for a bizarre closing 15 minutes. Abel Balbo took advantage of the hole in the center of the Inter defense to score with an 86th minute header.

Lucescu said he regretted his men's failure to play to the whistle. "They stopped, and they shouldn't have done that," he said. "They protested and they shouldn't have done that either. But honestly, I couldn't see anything nasty during the protests."

ENGLAND Manchester United, the Premier League leader, and Arsenal, the reigning champion, drew, 1-1, in the rain Wednesday in Manchester. The result brought to an end two streaks: United had won every game it had played in 1999 and Arsenal had not conceded a league goal this year.

United had a chance to take the lead when it won a penaltykick in the first half. But Dwight Yorke missed the goal.

Arsenal took the lead in the 48th minute when Nwankwo Kanu drove into the penalty area. He was tackled, but the ball flew to Nicolas Anelka, who scored.

Andy Cole leveled with a header after an

hour, but although United created several good scoring chances it could not beat David Seaman, the Arsenal goalie.

United remain four points ahead of Chelsea and five points ahead of Arsenal, though it has played a game more.

Chelsea drew, 1-1, at home to Blackburn. It too wasted a first-half penalty, taken by Frank Leboeuf, the French World Cup defender. Jody Morris put Chelsea ahead a minute before half time.

Ashley Ward tied the game with a header six minutes for the end. In the dying moments, Gianluca Vialli, Chelsea's player-manager, and Marlon Bromes, a young Blackburn player, clashed and both received red cards.

Everton, which had scored three goals in its first 12 home league matches beat Middlesbrough, 5-0.

SPAIN Daniel Passarella, the former Argentina national team coach, flew into Madrid on Thursday to talk to Atletico Madrid about taking the club's vacant coaching position.

"At this moment I'm not Atletico coach but I'm hoping we can work something out," Passarella said before leaving Buenos Aires.

On Wednesday, Juninho scored to give Atletico a 2-1 victory over Espanyol in the first leg of its Spanish Cup quarterfinal.

Real Madrid, under pressure following its loss Sunday in Barcelona, beat Racing Santander, 6-2, in a cup game.

NETHERLANDS Ajax and SC Heerenveen produced a fine match on a snow-covered field Wednesday, but both lost ground in the race for European places after a 2-2 draw.

The team to profit was second-placed Vitesse Arnhem which, playing in the comfort of its roofed-over Gelredome stadium, beat struggling NAC Breda, 3-1.

Sunday Oliseh, the Ajax defender, scored for both teams in the match in Heerenveen. Tiji Babangida scored the other Ajax goal. Boudevijn Pahlplatz leveled for the host with eight minutes to play. (AP, Reuters, AFP)

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	Pct	GB
Orlando	4	2	.500	0
New York	4	2	.500	0
Philadelphia	4	2	.500	0
Atlanta	3	3	.500	0
Washington	2	4	.333	0
New Jersey	1	4	.200	0

CENTRAL DIVISION

Team	W	L	Pct	GB
Minnesota	5	2	.714	0
Indiana	4	3	.571	0
Cleveland	3	3	.500	0
Detroit	3	3	.500	0
Toronto	1	4	.200	0
Charlotte	1	4	.200	0
Chicago	0	6	.000	0

WESTERN CONFERENCE

NORTHWEST DIVISION

Team	W	L	Pct	GB
Utah	5	2	.714	0
Houston	5	2	.714	0
Minnesota	5	2	.714	0
Son Antonio	4	4	.500	0
Vancouver	3	4	.429	0
Dallas	1	7	.125	0
Denver	1	7	.125	0

PACIFIC DIVISION

Team	W	L	Pct	GB
Seattle	4	2	.667	0
Portland	4	2	.667	0
L.A. Lakers	3	3	.500	0
Phoenix	3	3	.500	0
Sacramento	4	3	.571	0
Golden State	3	3	.500	0
L.A. Clippers	0	6	.000	0

WEDNESDAY RESULTS

Team	W	L	Pct	GB
Atlanta	24	20	.545	0
Detroit	21	18	.538	0
San Antonio	16	17	.485	0
Phoenix	15	17	.471	0
Portland	14	17	.451	0
Golden State	13	17	.431	0
Los Angeles	12	17	.412	0
San Diego	11	17	.393	0
Memphis	10	17	.370	0
San Jose	9	17	.344	0
Seattle	8	17	.318	0
Phoenix	7	17	.294	0
Portland	6	17	.265	0
Los Angeles	5	17	.235	0
San Diego	4	17	.206	0
San Jose	3	17	.176	0
Memphis	2	17	.147	0
San Antonio	1	17	.118	0
Golden State	0	17	.000	0

W. Howard 73-12-15, Strickland 5-12-4-4

14, Henry 6-15-0-14, O. Anderson 8-9-6-7

24, Doleac 7-10 2-3 16

Rahmouni-Washington 49 (Howard 10),

Orlando 28 (Cruz), C. Cutler 11,

Assists-Washington 20 (Strickland 10),

Orlando 21 (Armstrong 8).

Houston 28 10 20 35-102

Minnesota 29 16 23 38-114

8-14; McMurtry 15-24 8-11 40, Garmel 11-

1-2, 22, Rebounds-Houston 48

(Hawkins), Chicago 72, Minnesota 46

(Garmel 9), Assists-Houston 24 (Drew,

McKenney, Odoms, Phipps 4), Minnesota 32

(Garmel 12).

Phoenix 10 19 28 22-79

San Antonio 24 25 19 8-74

P. Garmel 9-19 1-2 19, McCloud 5-9 4-4

14, Kidd 6-14 2-4 14, S.J. Dumas 2-14 6-10

24, D.J. Brown 4-9 4-4 16

Rebounds-Phoenix 50 (Kidd 15), San

Antonio 54 (Dumas 12), Assists-Phoenix

18 (Kidd 10), San Antonio 19 (A. Johnson 7).

Chicago 18 18 27 28-83

Minnesota 24 24 19 24-81

C. Kibler 7-14 6-10 20, L. H. 0-0 18

Rebounds-Chicago 41 (Bryant 12),

Minnesota 41 (Hill 12), Assists-Chicago 18

(Bryant 7), Minnesota 23 (J. Williams 5),

Sacramento 24 12 22 33-15-19

Seattle 21 21 21 24 33-15-19

Funderburk 5-9 7-16 22, Seattle 11-27

10-34, Howard 6-14 0-0 18

Rebounds-Sacramento 41 (Dumas 10),

Seattle 39 (Polynice 15),

Assists-Sacramento 23 (J. Williams 5),

Seattle 20 (Payton 10),

Rebounds-Seattle 39 (Polynice 15),

Seattle 20 (Payton 10),

Rebounds-Seattle 39 (Polynice 15),

Seattle 20 (Payton 10),

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Rebounds-Seattle 39 (Polynice 15),

Seattle 20 (Payton 10),

Rebounds-Seattle 39 (Polynice 15),

Seattle 20 (Payton 10),

Tennis 62, Tennis Tech 44

Colorado 71, Texas A&M 61

Charlotte 29 14 27 12-87

Golden State 16 25 27 28-86

C. Reid 11-27 7-20, Coleman 9-16 4-22

G.S. States 6-18-0-14, Marshall 5-11-2-13

Coles 4-4 5-6 13, Rebounds-Charlotte 18,

Golden State 61 (Dempster 18),

Marshall 21 (Wesley 10), Golden

State 29 (Coles 9).

Dallas 20 17 24 25-88

L.A. Lakers 24 29 21 17-101

D. Trail 7-14 1-2 15, Finley 6-13 0-12

Lakers: Orfien 10-15 4-24, Bryant 8-15 7-8

22, Rebounds-Dallas 50 (Cobles 18),

Lakers 60 (Orfien 12), Assists-Dallas 24

(Pick 7), A. Lakers 27 (Finley 6).

U.S. COLLEGE SCORES

WEDNESDAY RESULTS

TOP 25

No. 1 Duke (25-1) def. Florida State 85-59.

No. 2 Auburn (25-1) def. Vanderbilt 85-61.

No. 3 Kentucky (21-0) def. Georgia 92-71.

No. 4 Cincinnati (20-0) def. N.C. Charlotte 82-71.

No. 5 Ohio State (20-0) def. No. 19 Indiana

(19-9) 62-47.

No. 14 N.C. (20-7) def. N.C. State 62-53.

No. 15 Syracuse (18-0) def. N. Duke 71-65.

No. 16 West. Conn. (19-0) beat Toledo 62-53.

LEADING COLLEGES

Bucknell 70, Army 43

Colgate 47, Lafayette 44

George Washington 78, Massachusetts 72

Georgetown 57, Boston College 54

Minnesota 69, Penn State 63

North Carolina 66, West Virginia 67

LSU 64, South Carolina 56

Old Dominion 63, N.C. Wilmington 54

Creighton 79, SW Missouri 76

Dayton 62, Duquesne 44

Drexel 64, S. Illinois 60

Illinois 60, Northwestern 63

Kansas 62, Kansas St. 47

N. Iowa 78, Illinois St. 64

Ohio U. 67, E. Michigan 57

Oklahoma St. 60, Nebraska 48

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LEADING COLLEGES

Bucknell 70, Army 43

POSTCARD

Sade Revisited

By Martin Arnold
New York Times Service

NEW YORK — The Marquis de Sade, seriously. That's what's happening.

In book publishing's continuing fascination with literary biography, there is yet again a revival of interest in the debauchee Sade and an attempt to redefine his place in literature. Mostly it upgrades him, from semihuman deviant and pornographer to satirist and almost insouciant modernist, which is a dazzling bound in his reputation. But there are naysayers.

Perhaps this current interest in Sade comes because we are not only at the end of a dark century of wars and worse, but also at the end of the century of the exploration of the unconscious in which the dank bottom was plumbed.

"He explored the bottom line of human nature, the worst imaginable; he is modern because any writer who explores the depths of human nature is modern," says Neil Schaeffer, a professor of English literature at Brooklyn College and the author of a new biography. Whatever the reason, this fascination with Sade seems real.

Schaeffer's book, "The Marquis de Sade: A Life," (Alfred A. Knopf), will be published in April, and Arcade Publishing will shortly issue "Letters From Prison," letters written by Sade and translated chiefly by Richard Seaver, the house's president.

In December, Simon & Schuster published Francine du Plessix Gray's "At Home With the Marquis de Sade: A Life," which found value in Sade's work, and the University of Chicago Press brought out Laurence Borge's "Sade: A Biographical Essay," which didn't.

Sade's own writings are available in bookstores but don't exactly jump off the shelves, although a 1965 Grove Press edition has sold more than 330,000 copies.

The case now being made by some for Sade in the United States — it had been made in France earlier — is literary. That is, he is an important writer. This despite the fact that Sade didn't write very well — his prose often hammers the reader with numbing repetition — and the stuff of his work was sodomy, murder, torture, incest, self-indulgence of the wildest sort and other infamies. All well beyond the feeble scribbles found in most pornography shops. And not usually the subjects of intellectual huzzahs.

Gray, whose book exposed both good and bad qualities in the marquis, said in an interview: "This man has a few things to teach us. His work is bracing. You can be shocked, but it's beyond the pale of sexual imagination. It's profoundly anti-erotic. I don't think Sade ever encouraged anyone to act."

"He had manic energy, which is not unlike Jackson Pollock, and the raw animal release of energy — Titian, Beethoven — is very much at the center of the greatest art. That doesn't mean it necessarily creates great art or did in his case; he taught me the importance of energy."

If Sade's work has all the thumping sensuality of a nudist beach, to Gray, "his philosophy of the bedroom is hilarious."

"It's satire," she continued, "a parody of erotic novels, a grisly fascinating parody of many things that have been around Western culture for centuries."

Berlin Film Festival: A New Focus on Nazi Past

By Alan Riding
New York Times Service

BERLIN — Since the end of the Cold War, the Berlin Film Festival has given up its obsession with East-West issues in favor of frequent evocation of Germany's earlier — Nazi — past. No surprise, then, that this year's 49th festival should include two documentaries and two feature films about the Nazi years. At a time of intense debate here over both compensation for Nazi victims and construction of a Holocaust Memorial in Berlin, the subject seems more topical than ever.

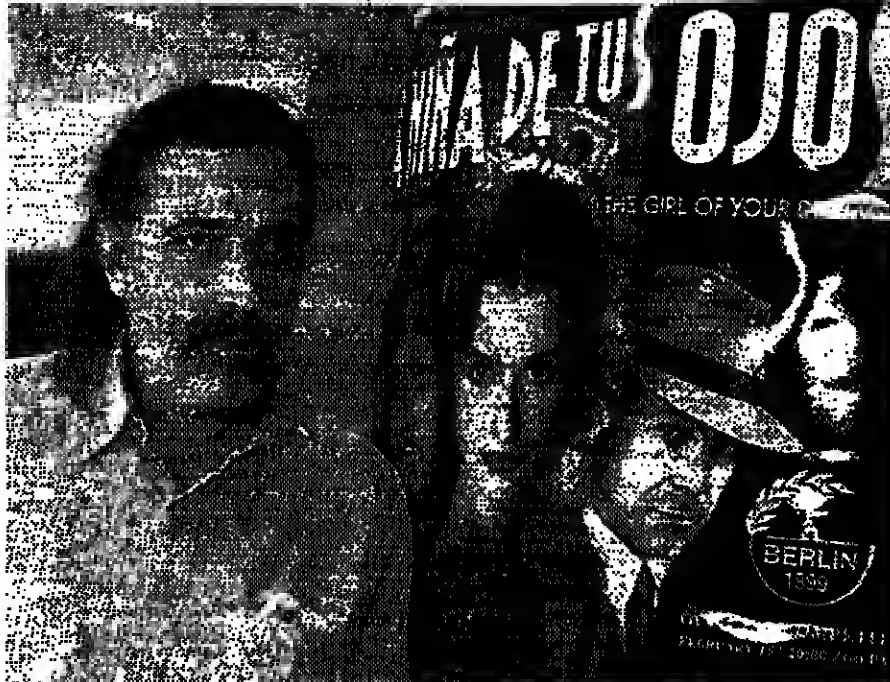
Yet, for all that, "Aimee and Jaguar," which opened the 11-day festival on Feb. 10, represents a significant change in the way German cinema addresses the Nazi era. By recounting a poignant true love story set in wartime Berlin between a Jewish woman and a non-Jewish mother of four, a German film has for the first time dared use the Nazi regime simply as the context for a human drama.

"I'm sure this would not have been possible 10 years ago," said Max Farberbock, the film's director. "In fact, without Steven Spielberg's 'Schindler's List,' it might still be impossible. What Spielberg did was to eliminate the borders of what was possible."

Gunther Rohrbach, one of the film's producers, agreed. "Feature films about the Nazis have always been laden with emotion," he said. "But we did not feel we had a right to turn this subject into entertainment. We felt we had to inform people, not move them. But things have changed."

Based on Erica Fischer's book, "Aimee and Jaguar," the film brings together Felice Schragenheim (played by Maria Schrader), one of a group of high-living Jewish lesbians living undercover in Berlin in 1942, and Lilly Wust (Juliane Kohler), a German housewife who took a Nazi officer as a lover while her husband was on the Russian front. Felice fell for Lilly, and eventually the love was reciprocated. Felice called herself Jaguar and gave Lilly the nickname Aimee.

Felice, who worked under an assumed name at a Nazi newspaper and gave information to the local resistance, was eventually arrested and sent to Buchenwald in August 1944; she is believed to have died in the final days of the war. Lilly survived and mourns Felice to this day. "I can imagine nothing more wonderful than seeing this movie," Wust, now 85, said after attending the film's premiere. The film, which has now been released in Germany,



Fernando Trueba next to a poster for his new film, "The Girl of Your Dreams."

was well received by German movie critics. "Aimee and Jaguar" is a watershed in German cinema," Hanns-Georg Rodek wrote in Die Welt. "We are no longer afraid of using these stories. We can view our history with freedom and open-mindedness."

If "Aimee and Jaguar" was indirectly inspired by "Schindler," Fernando Trueba's "The Girl of Your Dreams" is likely to be compared with Roberto Benigni's "Life Is Beautiful" in that it, too, treats the Nazi era with humor. The winner of seven Goyas, the Spanish academy awards, it follows a Spanish movie director and half a dozen Spanish actors who are invited to make a movie in Berlin in 1938 as a symbol of the mutual admiration between Hitler and Franco.

With Penelope Cruz playing Macarena Granada, the starlet who is chased around town by Joseph Goebbels, Hitler's propaganda chief, the movie spoofs both the Nazis and the Spaniards. When the Spaniards complain that German extras cannot pass as Andalusians, East European Jews are brought under guard to play the roles. But even when Macarena saves the life of a handsome Russian Jew and they escape to-

gether to Paris à la "Casablanca," the film's mood remains light.

"I don't think it is daring to do this now," said Trueba, whose film "Belle Époque" won the American Oscar for best foreign-language movie in 1993. "The Marx Brothers and Charlie Chaplin were daring in their day. But I don't think Benigni and I are taking big risks by looking back like this. There is no political, ideological or moral risk."

In contrast, two Holocaust-related documentaries shown here are perhaps more traditional. "The Specialist," written by Ronny Brauman and Eyal Sivan, edits 350 hours of film of Adolf Eichmann's trial in Jerusalem in 1961 into a 128-minute courtroom drama inspired by Hannah Arendt's report on the trial. "The Last Days," directed by James Moll and produced by Spielberg's Shoah Foundation, retraces the experiences of five Hungarians trapped in the Nazis' final drive to exterminate all Jews.

The challenge for major film festivals is to combine the commercial with the unexpected. Thus, most American films being screened here — among them Terrence Malick's

"Thin Red Line" — are simply using the festival to earn free publicity before their European releases, while the only American film to premiere here was Alan Rudolph's adaptation of Kurt Vonnegut's best-selling novel "Breakfast of Champions," starring Bruce Willis, Nick Nolte and Albert Finney. But some less-heralded European movies have awakened more enthusiasm. Among those was "Mifune," the first film that Søren Kragh-Jacobsen has made following the rules of the Dogme '95 Manifesto, proclaimed by his Danish fellow directors, Lars von Trier ("The Idiots") and Thomas Vinterberg ("The Celebration"). Dogme directors agree among other things to use hand-held cameras, to shoot only on location, to use no special lighting, to record their sound at the same time as their images and to avoid "superficial action (murders, weapons, etc. must not occur)."

In "Mifune," Kersten (Anders Berthelsen), a newly married man who claims he has no family, suddenly learns that his father has died and that his retarded brother, Rud (Jesper Asbjørn), is alone on the dilapidated family farm. He heads home to bury his father and to hire a housekeeper to look after his brother. The job is taken by Liva (Iben Hjelte), a high-class prostitute who is fleeing her own problems. The result is a touching tale of responsibility, love and redemption.

Kragh-Jacobsen said the Dogme rules liberated him, enabling him to return to the basics of plot and actors without interference from modern technology. "It gave me back the joy of filmmaking," he said. "I came from making big European productions, so-called Euro-puddings. It was like going from being the captain of a supertanker to being on a small boat that you can take where you want to."

Several other films suggested that announcement of the death of European movies might be premature. "Between the Legs," a raunchy Spanish film directed by Manuel Gomez Pereira and starring Javier Bardem and Victoria Abril, is a comedy about the perils of sexual addiction. "Night Shapes," a German film directed by Andreas Dresen, weaves together three stories set in Berlin on the night of a visit by Pope John Paul II.

The festival also offered premieres of two French films: Thomas Vincent's "Karnaval" tells the story of a bemused Moroccan immigrant caught up in carnival celebrations in Dunkirk, and Bertrand Tavernier's "It All Begins Today" is set in a nursery school in a depressed mining town in northern France.

PEOPLE

THE actor Robert Carlyle went to Buckingham Palace on Thursday to pick up his Officer of the Order of British Empire honor, which Queen Elizabeth awarded him at the end of last year. Carlyle — sporting a severe haircut for his current role as the villain in the next James Bond film, "The World Is Not Enough" — was accompanied by his wife, Anastasia, and his father, Joe Carlyle. Although he is one of Britain's most popular actors, after his roles in "The Full Monty" and "Trainspotting," Carlyle still couldn't seem to believe he was really at the palace. "The queen asked, 'How did you get in here?'" he joked.

A Rolls-Royce Silver Cloud seized by U.S. marshals at the home of Michael Jackson's parents will be auctioned off next week to pay off part of a \$1.3 million bankruptcy judgment. Bidding on the 1963 Rolls takes place Feb. 27. The minimum bid will be \$4,400. In December, marshals seized items from the Encino, California, home of Joseph

and Katherine Jackson, including a baby grand piano. A 1984 Rolls-Royce was seized three months earlier. Those items will be sold at another auction.

Andrea Bocelli, the Italian tenor who has sold millions of pop and classical CDs, will make his U.S. operatic debut in a Michigan Opera Theatre production

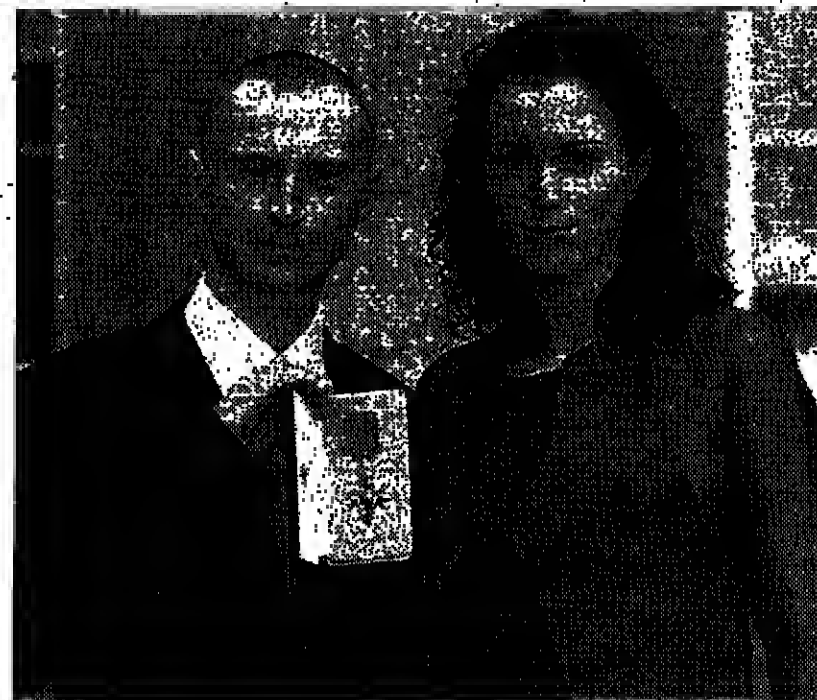
of Massenet's "Werther." Bocelli, who is blind, will appear in the title role with the mezzo-soprano Denyce Graves for six performances at the Detroit Opera House Oct. 30 through Nov. 14.

Lyle Lovett is whistling a happy tune over a Boston Ballet performance choreographed to his music. "Gosh, I'm so

excited," the country star said. "I've been to the ballet, but I'm not a regular goer to the ballet. That's why this is such a surprise and such an honor." "Nine Lives: The Songs of Lyle Lovett" was to open at the Shubert Theatre on Thursday and run through Feb. 28.

Fox Studios Australia said Thursday that it would produce a sequel to the movie "Mission Impossible," again starring Tom Cruise, with filming expected to start on March 20.

The director Barry Sonnenfeld has sworn off rented jets after a crash landing at a suburban Los Angeles airport. The Gulfstream II rolled past the end of the runway and veered into three parked planes at Van Nuys Airport. The director of "Get Shorty" and "Men in Black," who is afraid of flying, was returning from a trip to New York for post-production work. "The sad news for Warner and Disney is that I'm not going to take any of these rented jets," he said.



Robert and Anastasia Carlyle at Buckingham Palace with his OBE.

Delacroix's 'Liberty' Goes to Tokyo

Agence France-Presse

PARIS — Eugene Delacroix's "Liberty Leading the People" left Paris on Wednesday for a five-week exhibition in Tokyo.

An Airbus plane was chartered specially to carry the painting, completed in 1830, "because of its fragility and size," said Patrick Duval, spokesman for the "French Year in Japan" program, of which the Delacroix exhibition is a part.

The painting, showing a bare-breasted woman waving a tricolor flag leading a crowd of revolutionaries, was placed in a crate equipped with springs to avoid vibrations during the 20-hour flight.

The plane was decorated for the occasion with a 36-square-meter reproduction of the painting, but to avoid any diplomatic incidents in Islamic Bahrain, where the plane must refuel, the bare breast was covered up.

(put on a happy face)

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